

 <p><b>POLICY</b></p>	<p><b>POLICY NAME: INTERNAL CONTROLS AND CONFLICTS OF INTEREST REQUIREMENTS FOR ENTITIES PERFORMING MULTIPLE FUNCTIONS</b></p> <p><b>POLICY NUMBER: 17-002</b>  <b>DATE OF ISSUE: March 31, 2017</b>  <b>EFFECTIVE DATE: March 31, 2017</b></p> <p><b>For more info contact: Procurement Team, Office of Employment and Training (OET), <a href="mailto:teamofexperts@ky.gov">teamofexperts@ky.gov</a>.</b></p>
	<p><b>Applies/Of Interest To: Local Workforce Development Boards (LWDBs), Local Workforce Development Areas (LWDAs) staff, Chief Local Elected Officials, and Local Elected Officials</b></p>

<b>Subject</b>	<b>Internal Controls and Conflicts of Interest Requirements for Entities Performing Multiple Functions</b>
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<b>Purpose</b>	This Policy provides guidance to LWDAs where entities function in a variety of roles, including Fiscal Agent, One-Stop Operator and/or Career Services Provider.
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<b>Policy</b>	<p>Any organization that has been selected or otherwise designated to perform more than one of the functions as a local Fiscal Agent, One-Stop Operator and/or Career Services Provider shall develop a written agreement with the LWDB and Chief Local Elected Official(s) to clarify how the organization will carry out its responsibilities.</p> <p>The agreement shall also include terms which demonstrate compliance with the Workforce Innovation and Opportunity Act, (Pub. L. 113-128) and corresponding regulations, relevant Office of Management and Budget circulars, the organization’s conflict of interest policies, and the Commonwealth’s conflict of interest policies.</p> <p><b>Additional OET Guidance/Clarification:</b></p> <ul style="list-style-type: none"> <li>• The written agreement shall contain terms which address conflicts of interest or the appearance of conflicts of interest, the methods used to minimize fiscal risk, and the identification of firewalls which will be implemented by a single entity performing multiple functions.</li> </ul> <p>A “firewall” is an established policy or procedure that acts as a barrier or protection against an undesirable influence, outcome, or authority. Examples of firewalls include but are not limited to organizational arrangements that provide clear separation of duties and responsibilities, including confidentiality and disclosure agreements.</p>
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	Any agreement that does not comply with this Policy must be in compliance by July 1, 2017.
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<b>Procedural Guidance</b>	Workforce Innovation and Opportunity Act (Pub. L. 113-128), Workforce Innovation and Opportunity Act Final Rule (81 FR 56072), Joint Rule for Unified and Combined State Plans, Performance Accountability, and the One-Stop System Joint Provisions (81 FR 55791, CFR Part 200, and Training and Employment Guidance Letter WIOA No. 15-16.
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<b>Required Action</b>	Modification of any agreement that does not comply with this Policy shall be completed by July 1, 2017.
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