



## Maricopa County Workforce Development Board – Audit Workgroup Meeting Minutes

**Monday, October 21, 2019 at 11:30 a.m.**

WDB Staff Office 701 W Jefferson St. Ste 104 Phoenix, AZ 85007

WebEx: <https://mcwdb-1095-9b71.my.webex.com/meet/mcwdb>

Phone: +1-510-338-9438; Access Code/Meeting ID: 625 125 871

**Members Present:** Mark Lashinske, Drew Thorpe, Gregg Ghelfi, Lee Ann Bohn, Vanessa Andersen

**Members Absent:** N/A

**Guest/Staff Present:** Karen Nelson Hunter, Valerie Beckett, Elizabeth Cole, Patricia Wallace, Isabel Creasman, Nancy Avina

### **Call to Order/Welcome/Introductions**

Meeting was called to order by Audit workgroup lead, Mark Lashinske, at 11:30 a.m. Mr. Lashinske provided brief remarks thanking everyone for their work and shared thoughts on envisioned next steps.

### **Roll Call**

WDB Liaison, Nancy Avina, took roll. Quorum of the workgroup was present.

### **Approval of September 25, 2019 Meeting Minutes\***

Mr. Lashinske asked for a motion to approve the previous meeting minutes. Drew Thorpe made a motion.

Vanessa Andersen seconded the motion. All were in favor; motion carried.

### **Review Action Items to date\***

The workgroup briefly reviewed action items from the previous meeting. Karen Nelson Hunter will be sending the PowerPoint provided by Ashley and sent to Lee Ann Bohn, to the entire workgroup. All other action items have been completed.

### **Review, Discuss and Approve Structure solution that addresses conflict of interest, firewalls and separation of duties**

The workgroup briefly reviewed the County proposed structure and discussed the anticipated structure long term.

### **Review, Discuss and Approve to recommend Documents tied to the DOL Audit Report**

Mr. Lashinske provided high-level feedback on the various documents for review and expressed difficulty following them based on the feedback received. Mr. Lashinske indicated, for review purposes using a numbering of documents approach. Approach for review of feedback and documents was also discussed.

**Shared Governance Agreement (SGA) and Addenda** – The workgroup reviewed and discussed each point of feedback provided by Ms. Bohn and WDB staff; and discussed revisions. Brief discussion held on documents that should and should not have a signatures page; the workgroup agreed signatures should only be applicable to the SGA and bylaws. Staff clarified that of the feedback received only minor edits were made, all other feedback is for discussion. During the review and revision of documents, a discussion was held on the board not having finance staff to meet their responsibility of preparing the WIOA budget, and Fiscal Agent firewalls that prevent them from assisting in the interim. Various positions have been identified as needed under the WDB structure, one being a Finance individual to develop the budget; other interim options for developing the budget were discussed.

Details regarding revisions may be found in the attachment of these minutes.

**Bylaws** – Not reviewed.

**Career Service Contract** – Not reviewed.

**Other** – Not reviewed.

**Discussion on Next Steps/Action Items**

The Workgroup discussed next steps. An additional meeting will need to be scheduled to conclude the review of the feedback and documents provided and be able to move them forward to the next step in the review and approval process.

The workgroup discussed structure and placement of staff. Ms. Bohn informed Liaison roles and WDB staff will move to Special Assistant, Valerie Beckett. Ms. Bohn will work with Human Services Department from a service provider standpoint. Shelby Sharbach has also been briefed and understands conflict of interests concerns and is working through what Fiscal Agent placement will look like including, long-term. Mr. Thorpe expressed interest in meeting with Ms. Beckett; Ms. Beckett agreed and inquired about the MCWDB’s intent and timeline of moving to a 501-C3 and why it has not occurred. Mr. Thorpe provided information and summarized occurrences to date. A detailed plan is needed, the MCWDB is in the current process of hiring a contractor to complete a very specific business case. Ms. Sharbach will need to know the board direction to determine appropriate placement of the Fiscal Agent.

The timeline of the document review and approval process was discussed. A formal extension may need to be requested from the Workforce Arizona Council. Mr. Thorpe has been in communication with David Martin and he has expressed that if the MCWDB is moving in the right direction an extension will be allowed. The workgroup agreed that the MCWDB is taking a parallel path.

WDB staff will take comments and revisions discussed and update the appropriate documents.

Action Items resulting from meeting:	Assigned to:
Provide the PowerPoint referenced during the last meeting to the full Audit workgroup.	Karen Nelson Hunter

**New Business**

Not discussed. Tabled until the next meeting.

**Call to the Public**

Mr. Lashinske asked for public comment.

**Adjournment**

Workgroup Lead, Mr. Lashinske adjourned the meeting at 1:31 p.m.

*\*For additional information, contact MCWDB Staff, at: [mcwdb@maricopa.gov](mailto:mcwdb@maricopa.gov).*

*Revised 10.31.19*

**Feedback on 10/11/2019 WDB Shared Governance and Related Documents**  
**Lee Ann Bohn**

**General Comments**

- a. Definitions: the definitions section has been removed from the SGA and does not exist in other documents. Recommend adding definitions sections to all jointly signed documents to ensure clarity.  
**Added**  
Update 10.22.19: No additional changes required, per Audit Committee meeting.
- b. What is the purpose of removing the shared duties, WDB duties, CEO duties, and fiscal agent duties and making these separate documents? **To clearly delineate roles, responsibilities, and processes, by WIOA function.**  
Update 10.22.19: No additional changes required, per Audit Committee meeting.

**Shared Governance Agreement**

- c. Language should be added that allows the CEO to delegate responsibilities, as deemed appropriate.  
**Need to discuss this item during the meeting.**  
Update 10.22.19: Did not include, per discussion at 10.21.19 meeting; it's assumed that staff will aid in fulfillment of duties.
- d. The first sentence makes it appear that the agreement is between three parties: the County, BOS, and WDB. The County and BOS are the same – please adjust language. **Adjusted language ...The governance agreement is between the Chief Elected Official and the LWDB.**  
Update 10.22.19: No additional changes required, per Audit Committee meeting.
- e. Suggest removing the last sentence in the opening paragraph regarding “parties” – this language was seen as confusing to the legal team in the prior version of the SGA. **Adjusted language throughout – removed “parties” and replaced with CEO & LWDB.**  
Update 10.22.19: No additional changes required, per Audit Committee meeting.
- f. Why is the term only until next summer? **Need to discuss this item during the meeting.**  
Update 10.22.19: No additional changes required, per Audit Committee meeting.
- g. Additional Duties Delegated to the Fiscal Agent (p.6) - The Fiscal Agent is chosen by the CEO. It is not functional for the WDB to change the duties of this entity without the knowledge and consent of the CEO, particularly since the CEO is financially liable. If there is a desire to have some flexibility to change Fiscal Agent duties, it should be a shared function. **This responsibility is designated to the board (per WIOA) and should be represented as such in the agreement. The process can be delineated in the addenda. Need to discuss this item during the meeting.**  
Update 10.22.19: Added language in Shared Governance Agreement (p. 7):  
*If the LWDB wishes to assign any of the above-named functions to the Fiscal Agent, the LWDB must follow the process as outlined in Addendum 2-Fiscal Agent Responsibilities.*

## Feedback on 10/11/2019 WDB Shared Governance and Related Documents

Lee Ann Bohn

Also, language Added to Addendum 3: LWDB Responsibilities (pp. 3-4) & Addendum 2-Fiscal Agent Responsibilities (p. 1):

*In addition to the duties outlined below, the LWDB may require that the Fiscal Agent fulfill any or all of the following functions: (1) procure contracts or obtain written agreements, (2) conduct financial monitoring of service providers, and/or (3) ensure independent audit of all employment and training programs. During the annual LWDB/CEO meeting, the LWDB may express its intent to add functions to the Fiscal Agent role. During this meeting, the CEO and LWDB can make a plan for how this will be accomplished. Any additional functions assigned to the Fiscal Agent will require an amendment to the Shared Governance Agreement and this Addendum. The CEO and LWDB will conduct a mid-term review of Fiscal Agent functions during FY Q2 or Q3.*

- h. Grants and Donations (p.6) – if the current structure remains, grants and donations require BOS acceptance. **This can be added to the process description in the CEO-LWDB Responsibilities Addendum.**  
Update 10.22.19: Added language to Addendum 3-LWDB Responsibilities (p.4; P. Grants and Donations): *The LWDB may solicit and accept grants and donations from sources other than Federal funds made available under WIOA. In order to accept grants and donations, the LWDB must obtain the CEO's approval.*
- i. CEO and LWDB Shared Roles and Responsibilities (p.7) – if the current structure remains, language acknowledging that the BOS must formally approve contracts needs to be added. **Refer to the CEO-LWDB Responsibilities addendum. It details the processes, including the approval of the CEO.**  
Update 10.22.19: No additional changes required, per Audit Committee meeting.
- j. Amendments to the LWDB Bylaws (p.7) – Bylaw amendments also require BOS approval. **This information is included in the Bylaws see page 11 of Bylaws.**  
Update 10.22.19: No additional changes required, per Audit Committee meeting.
- k. Communication between Parties (p.8) – What type of “notice” does section A refer to? The language is too ambiguous as written. **This language referred to communications between the two parties. It has now been rephrased accordingly.**  
Update 10.22.19: Added language to Shared Governance Agreement (p.9) to reflect meeting input: All communications between the CEO and LWDB pertaining to the local area's governance functions and processes, as described in this Agreement and associated Addenda, must be in writing or via official electronic (e.g., email) communication. Confirmation of receipt shall be provided by the recipient within two (2) business days.”
- l. LWDB and CEO Meetings (p.8) – if the purpose of the annual meeting is for the LWDB to present to the CEO, this should be done at a BOS regularly scheduled meeting, not a LWDB meeting. **Need to discuss this item during the meeting.**  
Update 10.22.19: No additional changes required, per Audit Committee meeting.
- m. Shouldn't section 3 allow for the possibility that the CEO elects to call a meeting, as well? And frankly, this section isn't even necessary – you do not need language that allows you to meet if you think you need to meet. **Adjusted language to indicate that a meeting may be called by either party.**  
Update 10.22.19: No additional changes required, per Audit Committee meeting.

## Feedback on 10/11/2019 WDB Shared Governance and Related Documents

Lee Ann Bohn

- n. Internal Controls, Conflicts of Interest, and Firewalls (p.9) – Section D refers to data sharing agreements with DES, but doesn't identify the other party(ies) to this agreement. **Adjusted language: CEO/LWDB/Core partners.**  
Update 10.22.19: No additional changes required, per Audit Committee meeting.
- o. Also suggest removing the “need to know” reference – this is subjective. **Removed.**  
Update 10.22.19: No additional changes required, per Audit Committee meeting.
- p. Internal Controls, Conflicts of Interest, and Firewalls (p.9) – Section E – which entity grants access to AJC? **Language added.** If it's not the LWDB or the BOS, who are the parties to this agreement, this section should be removed. **Need to discuss this item during the meeting.**  
Update 10.22.19: Deleted from Shared Governance Agreement and placed in Addendum 3-LWDB Responsibilities (p.3), per Audit Committee meeting discussion:  
  
**N. GRANTING ACCESS TO ARIZONA JOB CONNECTION**  
Arizona Job Connection (AJC) System access is granted by Arizona Department of Economic Security, at the request of the LWDB, to individuals tasked with performing WIOA-related duties. The authorization for AJC access is granted after completion of an extensive training and certification process implemented by the Arizona Department of Economic Security officials; as part of the training, employees sign a confidentiality agreement to protect all sensitive information of participants.
- q. Conflict Resolution (p.10) – Has the AG's Office agreed to this role? Not sure that this will be acceptable to County. **Changed to DES. Need to discuss this item during the meeting.**  
Update 10.22.19: No additional changes required, per Audit Committee meeting.

### Addendum 3-LWDB Responsibilities

- a. Local Plan Development
  - i. “Develop a strategy...at the joint MCWDB/CEO meeting” – this is a joint responsibility, not solely a WDB responsibility. Recommend deleting language, or replacing with language stating that the WDB's responsibility is to develop a draft strategy and share with CEO for consideration. **Now document refers to the CEO-LWDB addendum, which delineates the process.**  
Update 10.22.19: No additional changes required, per Audit Committee meeting.
- b. Lead Efforts to Engage with a Diverse Range of Employers...
  - ii. Refers to “ongoing employer collaboratives.” What does this mean? **This refers to a workforce development best practice more commonly referred to as sector partnerships, which requires the convening of employers and using their input to implement changes in workforce system strategies.**  
Update 10.22.19: No additional changes required, per Audit Committee meeting.
  - iii. Replace “Valley” with “Maricopa County.” **Done.**  
Update 10.22.19: No additional changes required, per Audit Committee meeting.
- c. Selection of One Stop Operator/Selection of Provider
  - iv. Language requiring a County entity (procurement, in this case) to perform a service should not be in the WDB Responsibilities document. **Removed. Refer to Addendum 4-CEO-LWDB Joint Responsibilities for description of process.**  
Update 10.22.19: No additional changes required, per Audit Committee meeting.

## Feedback on 10/11/2019 WDB Shared Governance and Related Documents

Lee Ann Bohn

- d. Additional Duties Delegated to the Fiscal Agent
- e. The Fiscal Agent is chosen by the CEO. It is not functional for the WDB to change the duties of this entity without the knowledge and consent of the CEO, particularly since the CEO is financially liable. If there is a desire to have some flexibility to change Fiscal Agent duties, it should be a shared function. **This responsibility is designated to the board (per WIOA) and should be represented as such in the agreement/addenda. Need to discuss this item during the meeting.**  
Update 10.22.19: Added language to Addendum 3-LWDB Responsibilities (pp. 3-4):  
During the annual LWDB/CEO meeting, the LWDB may express its intent to add functions to the Fiscal Agent role. During this meeting, the CEO and LWDB can make a plan for how this will be accomplished. Any additional functions assigned to the Fiscal Agent will require an amendment to the Shared Governance Agreement and Addendum 2-Fiscal Agent Responsibilities. The CEO and LWDB will conduct a mid-term review of Fiscal Agent functions during FY Q2 or Q3.

### Addendum 1-CEO Responsibilities

- a. Appointments to the LWDB - Unless there is a federal or state requirement that the CEO perform an annual assessment of the LWDB's membership and performance, this section should be removed. The CEO will determine the type and frequency of assessments. **This is not a requirement, but was suggested as a good practice as the CEO is responsible for ensuring appropriate composition of the LWDB as stated in WIOA.**  
Update 10.22.19: Deleted per Audit Committee meeting.
- b. CEO Partnership with LWDB
  - v. #1 refers to section 108. Of what? **\*\*See below**
  - vi. #2 states that "results shall be reported to the CEO and LWDB." Results of what – a report, audit, something else? Who is preparing/presenting the results? **\*\*See below**
  - vii. #3 states that the "LWDB and CEO shall negotiate and reach agreement on local performance accountability measures as described in section 116c. **\*\*See below**
    - 1. Are they negotiating with each other? I thought the negotiation was with the State. Regardless, this sounds like a shared duty, not a CEO duty. Section 116c of what? **\*\*See below**
  - viii. #4 and #5 appear to be shared duties, not solely duties of the CEO. **\*\*See below**
  - ix. #5 – the designation and termination of one-stop operators are contractual in nature. If the current structure remains these actions require formal approval by the BOS. **\*\*See below**

**\*\*Removed all joint functions from this addendum and replaced with list of functions. The Details of the processes can now be found on the CEO-LWDB Joint Responsibilities functions.**  
Update 10.22.19: No additional changes required, per Audit Committee meeting.

## Feedback on 10/11/2019 WDB Shared Governance and Related Documents

Lee Ann Bohn

### Addendum 4-CEO & LWDB Joint Responsibilities

- a. Language should be added that allows the CEO to delegate responsibilities, as deemed appropriate. **Need to discuss this item during the meeting.**  
Update 10.22.19: Did not include, per discussion at 10.21.19 meeting (it's assumed that staff will aid in fulfillment of duties).
- b. Throughout the document there are no deadlines regarding when items need to be submitted to the CEO. Timing will vary depending on the type of document, need for briefings, and need for legal review. **Need to discuss this item during the meeting.**  
Update 10.22.19: Added language to Addendum 4-CEO & LWDB Joint Responsibilities (p.1. A): This Addendum details the processes and procedures required to fulfill the CEO and LWDB joint functions. The LWDB must adhere to the CEO's annual *Agenda Schedule and Deadline Dates*, as well as applicable published department deadline schedules, for those functions requiring formal CEO approval.
- c. Throughout the document the CEO is given a two business day turn-around for notification. For formal BOS actions, the LWDB staff can find this information on their own on the County website. **If more notification time is required, please let us know. Need to discuss this item during the meeting.**  
Update 10.22.19: Revised language throughout to ask for notification w/in 2 business days in the event an item is not approved by the CEO. See Addendum 4-CEO & LWDB Joint Responsibilities (p.1; A.2.) for an example of how this was handled for local plan approval.
- d. Page 2 – requirements regarding review and approval of WDB budget – this budget is approved on the same cycle as the rest of the County's budget. Language should reflect that (the LWDB budget shall be considered, review, and approved on the same cycle as the overall County budget) and not reference March and June. **Need to discuss this item during the meeting; if this timeframe is not appropriate, please define what is the timeframe the CEO approves.**  
Update 10.22.19: Adjusted language in Addendum 4-CEO & LWDB Joint Responsibilities (p.2; A.3.) to state:  
The annual LWDB-approved budget shall be reviewed and approved in compliance with the Maricopa County budget cycle.
- e. Page 2 – the CEO is not going to “negotiate” the amount to be paid by the LWDB for the fiscal agent (they will want to pay what they need to pay in order to insure that there is not financial risk), nor will they agree to supplement with non-federal funding. Perhaps we need to discuss what concern this section is trying to address and find some new wording. **Language addressed. See Changes; will have to discuss during meeting.**  
Update 10.22.19: No additional changes required, per Audit Committee meeting.
- f. There are several references to the CEO and LWDB completing tasks “in partnership.” What does this term mean? **Partnership is defined by the delineation of the process. If the process is unclear, please provide specific details and we can address during the meeting.** Are there deliverables that are required? Does formal action need to be taken? The language is too loose to be enforceable, so either define it better or remove it. **Partnership is defined by the delineation of the process. If the process is unclear, please provide specific suggestions/clarification for addition. We can address during the meeting.**

## Feedback on 10/11/2019 WDB Shared Governance and Related Documents

Lee Ann Bohn

Update 10.22.19: No additional changes required, per Audit Committee meeting. "Partnership" will be defined by the process description and will differ based on the function and desired level of involvement by each party.

- g. Page 4 – there are several requirements of the OSO and service provider listed here. These should be in their contracts, not in this document (not enforceable here). There is also at least one requirement of the fiscal agent, which should be listed under the fiscal agent duties document or section. **Removed some of the specific details, but we believe some parameters/guidelines of "how" the duties will be executed must be included to ensure that "in partnership with" is defined, as well as ensuring that both parties (i.e., CEO & LWDB) are in agreement of how those duties will be performed.**  
Update 10.22.19: No additional changes required, per Audit Committee meeting.
- h. Appropriate Use, Management, and Investment of Title IB Funds - states that "performance will be reported in a scorecard format." Who is reporting this, and should this requirement be in their contract instead of here? **The fiscal agent; "The Fiscal Agent shall provide monthly budget updates to LWDB, LWDB Executive Director, and the CEO (refer to Fiscal Agent Responsibilities Addendum for details regarding financial reporting)."**  
**Requirement is also listed in the Fiscal Agent Addendum. It is merely summarized here to provide clarity on the process.**  
Update 10.22.19: No additional changes required, per Audit Committee meeting.
- i. Setting Local Area Performance Indicators – states that the final negotiated performance measures shall be presented to the LWDB and CEO. Who does this presentation? **LWDB staff. Necessary changes made.**  
Update 10.22.19: No additional changes required, per Audit Committee meeting.

### Addendum 2-Fiscal Agent Responsibilities

- a. The BOS doesn't enter into an agreement with their own staff, so the structure of this document doesn't make sense. **Need to discuss this item during the meeting.**  
Update 10.22.19: Removed signatures page from this and all other addenda. Signature pages now only remain in the Shared Governance Agreement and Bylaws, as discussed during the Audit Committee meeting.
- b. The CEO is not going to "negotiate" the amount to be paid by the LWDB for the fiscal agent (they will want to pay what they need to pay in order to insure that there is not financial risk), nor will they agree to supplement with non-federal funding. Perhaps we need to discuss what concern this section is trying to address and find some new wording. **Addressed; changed language to agree upon.**  
Update 10.22.19: No additional changes required, per Audit Committee meeting.
- c. Compensation section.
  - x. A-87 does not exist any longer. Cost allocation plans, administrative costs, and allowability of costs are all defined within 2 CFR 200 Uniform Administrative Requirements. **Fixed.**
  - xi. Per County policy, a reduction of administrative costs is not allowed. Full indirect costs should be paid and is allowable under WIOA. **Language removed.**  
Update 10.22.19: No additional changes required, per Audit Committee meeting.

## Feedback on 10/11/2019 WDB Shared Governance and Related Documents

Lee Ann Bohn

- d. A 1 and 2 are unnecessary – these duties are covered more robustly by 8 and 10. **Removed**  
Update 10.22.19: No additional changes required, per Audit Committee meeting.
- e. A4 - Does each disbursement of funds require LWDB approval? Or is this just in reference to high-level allocation of funds (i.e. by approved budget) to the specific entities performing activities of WIOA? **Need to discuss this item during the meeting.**  
Update 10.22.19: No additional changes required, per Audit Committee meeting.
- f. A9 - Why is the fiscal agent assisting the CEO with their assigned responsibilities? I thought the instruction from DES & OEO was to have strict separation of roles within the County. **Removed**  
Update 10.22.19: No additional changes required, per Audit Committee meeting.
- g. A12 – If the fiscal agent is a county entity there is no reason for a separate procurement. The County participates annually in a single audit. **This would be independent of a single audit. Need to discuss this item during the meeting.**  
Update 10.22.19: Refer to Addendum 2 Fiscal Agent Responsibilities (p. 2; A.9)- Keeping as is for now; LWDB staff noted that this requires discussion with Assistant County Manager, Shelby Scharbach & Maha (DES fiscal rep) per Audit Committee meeting.
- h. A13(a) – directs the Fiscal Agent to prepare the budget. At our 9/25 meeting Ashley Wilhelm expressly stated that the Fiscal Agent should NOT prepare the budget. What is the right answer? **While we recognize this is something the fiscal agent should not be doing, we recommend this as an interim solution for the upcoming budgeting cycle which is covered in this agreement's term. We can discuss other solutions during meeting.**  
Update 10.22.19: See Addendum 2- Fiscal Agent Responsibilities (p.2; A.10.) edited language to “assist the LWDB”

The Fiscal Agent shall assist the LWDB in the development of an annual operating budget and budget justification for the purpose of carrying out the Local Plan at the LWDB's direction, with the assistance of LWDB, an LWDB designated committee, and/or its staff. The budget will be developed for the purpose of carrying out the duties of the LWDB. The operating budget for each program/fiscal year shall include line items for carrying out the duties of the board and allocating funds for service delivery. The budgeting period must be aligned with the County fiscal year, which runs from July 1 through June 30. The budget must be in accordance with all Maricopa County policies and guidelines, WIOA, and Uniform guidance and applicable federal and state laws. Once the draft budget is developed, it shall be submitted to the LWDB and CEO for review and discussion; any required changes are made by the Fiscal Agent, in consultation with LWDB staff, and then submitted to LWDB for review and approval. The Fiscal Agent shall submit the LWDB-approved budget to the Maricopa County Budget Office. The annual LWDB-approved budget shall be reviewed and approved in compliance with the Maricopa County annually issued budget cycle memo. The CEO, in its discretion, shall review and take action on the budget in accordance with County policy (20 CFR §679.370). The CEO, or a designee, shall notify the LWDB Chair and LWDB Executive Director via electronic means (e.g., email) within two business days in the event the budget is not approved by the CEO.

## Feedback on 10/11/2019 WDB Shared Governance and Related Documents

Lee Ann Bohn

- i. Also recommend removal of the March and June dates. This budget is approved on the same cycle as the rest of the County's budget. Language should reflect that (the LWDB budget shall be considered, review, and approved on the same cycle as the overall County budget). **Need to discuss this item during the meeting; if this timeframe is not appropriate, please define what is the timeframe the CEO approves.** Update 10.22.19: See Addendum 2- Fiscal Agent Responsibilities (p.2; A.10.a.) edited language to "The annual LWDB-approved budget shall be reviewed and approved in compliance with the Maricopa County annually issued budget cycle memo."
- j. A15 – refers to the fiscal agent's role in submitting capital requests, transfers of funds, and "other such requests" to the LWDB. Who submits these to the fiscal agent? **The LWDB; see addition.** If your fiscal agent is really just AP/AR and reporting, should these requests come from the provider to the LWDB, that then directs the fiscal agent on how to spend? In addition, I don't believe this is a requirement under WIOA, and I wouldn't recommend this as a fiscal agent duty to our Board (there are plenty of County financial policies providing oversight of these functions). **Let's discuss during the meeting so that this can be added to the addendum during the meeting.**

Update 10.22.19: See Addendum 2- Fiscal Agent Responsibilities (p.3; A.12):

Capital expenditure requests and other expenditures in excess of \$50,000 or 5% of the total contract awarded amount, whichever amount is lower, must be submitted in advance by the service provider(s) to the Fiscal Agent for review. The Fiscal Agent must submit these requests for LWDB approval, which must be granted prior to expenditure. The Fiscal Agent shall then submit the LWDB-approved requests to the CEO for subsequent approval. The Fiscal Agent shall notify the LWDB Chair and LWDB Executive Director via electronic means (e.g., email) within two (2) business days in the event the request is not approved by the CEO.

Update 10.22.19: See Addendum 2- Fiscal Agent Responsibilities (p.3; A.13):

At the direction of an LWDB designated committee and/or LWDB staff, the Fiscal Agent shall submit transfer of funds requests to the LWDB for review and approval. The Fiscal Agent shall then submit the LWDB-approved requests to the CEO for subsequent approval. The Fiscal Agent shall notify the LWDB Chair and LWDB Executive Director via electronic means (e.g., email) within two (2) business days in the event the request is not approved by the CEO.

---

## THIS IS WHERE WE STOPPED ON 10.21.19.

- k. A14 - Infrastructure funding agreement is the responsibility of the WDB. **This is a shared responsibility with the CEO.** The responsibility of creating and calculating the plan amongst partners should be with the WDB and their delegates. This is would ensure the firewalls are adhered to as described by the State. **We can address during the meeting. This language was sourced from the shared governance agreement emailed to the Audit Committee on 9.19.19; In the 9.19.19 agreement, refer to bottom of page 15, section F. Funding of Infrastructure Costs.**

## Feedback on 10/11/2019 WDB Shared Governance and Related Documents

Lee Ann Bohn

- l. A16 – what is meant by a delinquent vendor account? **This statement was to address possible financial issues, e.g., misappropriation of funds, excess spending, overpayments, etc. What is a better way to describe this?**
- m. A17 – “any excess of revenue over cost” – this statement doesn’t make sense if the payments are made after services are rendered. Is there a plan to change the way in which payments are made? **This language was added to address instances in which a fee would be charged for a service and result in income generated by the service provider. This generated income has to be accounted for in a specific manner. Need to discuss this item during the meeting.**
- n. B.1 – These expectations are covered fully in the County’s financial management policies. If the fiscal agent is a county entity, there is no need for this section. **This is a generic statement used to clearly articulate the expectations required of this role under WIOA. We understand that County policies will include more detailed information regarding expectations.**
- o. B5. The Grant Recipient is still the CEO (Board of Supervisors) and is not the fiscal agent. **Deleted grant recipient.**
- p. B6. Why is the Fiscal Agent reviewing operational and administrative policies of WIOA programs? Is this not the responsibility of the WDB and/or the service providers themselves? **It’s a joint responsibility for the board and CEO to develop workforce system policies for the local workforce development area. However, this statement intended to ensure that the fiscal agent is knowledgeable of the policies and provides input in those instances where processes that he/she is involved in could/should be improved.**
- q. B7. If the Fiscal Agent is a County entity, the County is responsible for maintaining a grant management system. This should be removed. **The intent is to articulate roles/responsibilities of the fiscal agent role within WIOA. Need to discuss this item during the meeting.**
- r. C.1 – “The CEO expects the Fiscal Agent to develop all required procedures for program planning, evaluation, and quality improvement systems on behalf of the CEO.” – Why would the fiscal agent be performing program planning and evaluation? **Removed**
- s. C.2 – “The CEO expects the Fiscal Agent to manage a property control system...” – this makes sense if the Fiscal Agent and Service Provider are both County entities. And, if that’s the case, it’s covered sufficiently under County Policy. **The intent is to articulate roles/responsibilities of the fiscal agent role within WIOA. Need to discuss this item during the meeting.**
- t. D - These expectations are covered fully in the County’s financial management policies. If the fiscal agent is a county entity, there is no need for this section. **The intent is to articulate roles/responsibilities of the fiscal agent role within WIOA.**
- u. E.1.a. – the requirement to report in “scorecard format” should be removed. Federal, State, and local entities have established formatting requirements for financial reports. **Changed language to in a format approved by CEO and LWDB.**
- v. E - DES requires monthly, quarterly, and annual financial reports on each separate funding line. These cannot be modified by LWDB staff, the WDB, or the CEO. **What specifically needs to be changed?**
- w. E.4 – The CEO will determine the frequency with which it meets with the fiscal agent. Please remove this section or replace it with “as determined by the CEO.” **Done. Edited language--: “The CEO and Fiscal Agent shall meet at the CEO’s discretion.”**

## Feedback on 10/11/2019 WDB Shared Governance and Related Documents

Lee Ann Bohn

- x. G – Remove this section. If the fiscal agent remains in the County, the liability cannot be “delegated” to an employee. It must be handled by the Board. In addition, any misspending of WIOA monies may not be fixed by using WIOA monies according to the WIOA. If an external entity is sought to perform this role the liability will be covered in their contract. **Please see edits to this section. Some explanation is necessary to indicate that the fiscal agent role is accountable for meeting WIOA fiscal requirements.**
- y. If the budgets for the service provider and the WDB are within the County, invoicing would not take plan but rather allocated budgets within the financial/grant management system of the County. **Please clarify what this is referring to.**

### Bylaws

- a. CEO needs authority to assign designee.  
**Update 10.22.19: Did not include, per discussion at 10.21.19 meeting (it’s assumed that staff will aid in fulfillment of duties).**
- b. 3.C – “the composition of the MCWDB shall be subject to the certification by the Governor.” Is composition the right term to use here? **This is referring to the make-up and representation of the board, as required under WIOA. Kept as is for the time being- Is there another term you’d prefer? Membership?**
- c. 7.A – “A vacancy of the MCWDB shall exist on the occurrence of noncompliance...” what does this mean? **If a board member breaks WIOA rules/regulations, the board member would be immediately removed from the board; leading to a vacant position on the board.**
- d. 7.E – “...will be monitored according to the process outlined in their approved waiver request.” Who does this monitoring? **The Workforce Arizona Council Manger.**
- e. 8.C – suggest this be a rolling 12 months rather than program year. **Need to discuss this item during the meeting; what would this tracking look like?**  
**Update 10.23.19: Board staff believe this would be difficult to track and Pinal’s DES-approved Bylaws includes identical language.**
- f. 9.B – change “and” to “or.” **Edited**
- g. 9.D and E – do not agree with the ability for the WDB to remove its own members. May make a recommendation to the BOS, but it is solely a BOS role to appoint and remove members. **Need to discuss during meeting.**

**Update 10.23.19: This entire section was re-written to align with Pinal’s DES-approved bylaws. Refer to bottom of page 6 of bylaws; section 9: removal:**

- A. An MCWDB member may be removed from the MCWDB by the CEO if:
  - 1. There is a documented violation of conflict of interest and ethics imposed by WIOA, A.R.S. §38-501 et seq., and Maricopa County Internal Policy HR2416;
  - 2. Documented proof of malfeasance, fraud or abuse;

## Feedback on 10/11/2019 WDB Shared Governance and Related Documents

Lee Ann Bohn

3. An MCWDB member ceases to represent the category to which he/she was appointed to fill on the MCWDB through change in status, or otherwise becomes disabled, ill and unable to perform his/her duties on the MCWDB;
  4. A member fails to fulfill the requirements of membership;
  5. Failure to meet MCWDB member attendance requirements as defined in the MCWDB Bylaws Article IV, Section 8. Resignations.
- B. The state administrative entity reserves the right to conduct an investigation regarding allegations of wrong doing that result in the removal of a board member. CEO and MCWDB Chair will be formally notified in advance of any such investigation and of the results.
- C. At the request of the member under consideration for removal, the Executive Committee will conduct a hearing with the member under consideration regarding the merits of the recommendation for removal.
- D. Should the Executive Committee determine that it is in the best interest of the MCWDB to remove a member; a recommendation for removal will be presented to the MCWDB for official action to remove the member. The recommendation must receive a majority vote.
- E. Recommendations for removal of MCWDB members will be forwarded to the Maricopa County Board of Supervisors for final approval.
- h. 9.D – “Just cause is a legally sufficient reason as delineated in these Bylaws.” Which section of the bylaws? **Need to discuss during meeting.**  
Update 10.23.19: This entire section was re-written to align with Pinal’s DES-approved bylaws. Refer to bottom of page 6 of bylaws; section 9: removal:
- A. An MCWDB member may be removed from the MCWDB by the CEO if:
    1. There is a documented violation of conflict of interest and ethics imposed by WIOA, A.R.S. §38-501 et seq., and Maricopa County Internal Policy HR2416;
    2. Documented proof of malfeasance, fraud or abuse;
    3. An MCWDB member ceases to represent the category to which he/she was appointed to fill on the MCWDB through change in status, or otherwise becomes disabled, ill and unable to perform his/her duties on the MCWDB;
    4. A member fails to fulfill the requirements of membership;
    5. Failure to meet MCWDB member attendance requirements as defined in the MCWDB Bylaws Article IV, Section 8. Resignations.
  - B. The state administrative entity reserves the right to conduct an investigation regarding allegations of wrong doing that result in the removal of a board member. CEO and MCWDB Chair will be formally notified in advance of any such investigation and of the results.
  - C. At the request of the member under consideration for removal, the Executive Committee will conduct a hearing with the member under consideration regarding the merits of the recommendation for removal.
  - D. Should the Executive Committee determine that it is in the best interest of the MCWDB to remove a member; a recommendation for removal will be presented to the MCWDB for official action to remove the member. The recommendation must receive a majority vote.
  - E. Recommendations for removal of MCWDB members will be forwarded to the Maricopa County Board of Supervisors for final approval.

## Feedback on 10/11/2019 WDB Shared Governance and Related Documents

Lee Ann Bohn

- i. 9.F – The bylaws will not dictate the BOS’s procedure for removal from this Board. If they choose to remove a member it will be on the public agenda and available for public comment like any other agenda item. **Per Council Governance policy: LWDB members must be removed by the CEO if any of the following occurs: documented violation of conflict of interest, failure to meet LWDB member representation requirements defined in WIOA and this policy, or documented proof of malfeasance, fraud or abuse. LWDB members may be removed for other reasons outlined in the LWDB bylaws such as lack of attendance, etc. LWDBs must define the specific criteria that will be used to establish just cause and the process for such removal. The Department of Economic Security reserves the right to conduct an investigation regarding allegations of wrong doing that result in the removal of a board member. CEOs and LWDB chairs will be formally notified in advance of any such investigation and of the results.**

Update 10.23.19: This entire section was re-written to align with Pinal’s DES-approved bylaws. Refer to bottom of page 6 of bylaws; section 9: removal:

- A. An MCWDB member may be removed from the MCWDB by the CEO if:
1. There is a documented violation of conflict of interest and ethics imposed by WIOA, A.R.S. §38-501 et seq., and Maricopa County Internal Policy HR2416;
  2. Documented proof of malfeasance, fraud or abuse;
  3. An MCWDB member ceases to represent the category to which he/she was appointed to fill on the MCWDB through change in status, or otherwise becomes disabled, ill and unable to perform his/her duties on the MCWDB;
  4. A member fails to fulfill the requirements of membership;
  5. Failure to meet MCWDB member attendance requirements as defined in the MCWDB Bylaws Article IV, Section 8. Resignations.
- B. The state administrative entity reserves the right to conduct an investigation regarding allegations of wrong doing that result in the removal of a board member. CEO and MCWDB Chair will be formally notified in advance of any such investigation and of the results.
- C. At the request of the member under consideration for removal, the Executive Committee will conduct a hearing with the member under consideration regarding the merits of the recommendation for removal.
- D. Should the Executive Committee determine that it is in the best interest of the MCWDB to remove a member; a recommendation for removal will be presented to the MCWDB for official action to remove the member. The recommendation must receive a majority vote.
- E. Recommendations for removal of MCWDB members will be forwarded to the Maricopa County Board of Supervisors for final approval.

## Feedback on 10/11/2019 WDB Shared Governance and Related Documents

Lee Ann Bohn

### Career Services Agreement (will review and discuss at a later date)

- a. This contract is the BOS entering into a contract with the BOS. Fundamentally, it doesn't work.
- b. The term on this contract (less than a year) isn't practical. Most contracts of this scope and size are multi-year, with several year renewal options available.
- c. If this is a contract that the County would have with an outside vendor, MCAO can provide all of the standard contractual language. The only thing they need from you is the scope of work.
- d. We need to decide what is being proposed. If it is a "contract" for Human Services to perform as the Service Provider, the format needs to change extensively. I think it would look more like an agreement between the WDB and the County, with a strong focus on the scope of work.
- e. If this is intended to be a contract that the MCWDB enters into on its own with Human Services or another vendor, it still requires lots of clarification. Much of the language is nonsensical. Terms are not defined, the WDB is given unilateral authority to change scope, stop payment, and manage the detailed operations of a vendor. Who would even bid for this?
  - xii. Is this a grant award or a subrecipient award? Is payment prospective or reimbursement-based?
  - xiii. There seems to be some confusion with duties of the service provider and duties of the fiscal agent. This needs to be very clear. "MCWDB shall be the sole judge and authority in determining the availability of funds under this contract." (P.2) Without legal guidance? What happens if their decision violates the contract terms?
  - xiv. "Subrecipients are required to adhere to MCWDB reporting requirements and procedures...[must] submit monthly, quarterly, and other reports as required by MCWDB." (p.3) – What requirements and procedures? What is the content of the monthly, quarterly, and other reports?
  - xv. What are the key performance indicators referred to on page 3?
  - xvi. Who are the "Grantor agencies" referred to on page 4?
  - xvii. "The subrecipient shall make available for inspection...all records and accounts relating to the work performed or the services provided under this Contract, or for similar work and/or services provided under other grants or Contracts." What is intended by this? I don't think we can legally require this.
  - xviii. "County" is used generically throughout. Needs to be examined to see if more specificity is required (e.g., page 5 states that suspension or disbarment requires the subrecipient to immediately notify "the County." Who at the County?)
  - xix. Page 6 – "The Contract shall procure and maintain the insurance requirements..." Do you mean the contractor? Is that different from the subrecipient mentioned throughout?
  - xx. Page 12 – "The Procurement Officer may order the Subrecipient...to suspend, delay or interrupt all or any part of the work of this contract for the period that the MCWDB determines appropriate for the convenience of the MCWDB." This creates financial liability for the County and should be removed.
  - xxi. Page 12 – The MCWDB may... require the Subrecipient to stop all, or any part of the work..." This creates financial liability for the County and should be removed.
  - xxii. Page 14 – "The MCWDB reserves the right to add and/or delete materials and services to a contract." This type of action requires a formal amendment to a contract – it must be agreed to by the parties and commemorated in a revised contract.
  - xxiii. Page 14 – "The MCWDB reserves the right of final approval on proposed staff for all Task Orders... also, at request of MCWDB the Subrecipient shall be required to remove any employees working on MCWDB projects and substitute personnel based on the discretion of the MCWDB within 2 business days." If MCWDB wants to manage staff, they should just provide the service themselves. If they are contracting for someone else to do it, let them manage their

## Feedback on 10/11/2019 WDB Shared Governance and Related Documents

Lee Ann Bohn

operations. A better approach is to set standards – minimum educational requirements, standardized caseloads, etc. that ensure properly trained people are doing the expected volume and type of work.

- xxiv. Page 14 – “The MCWDB shall have the use of data and reports resulting from a Contract...” – what does this mean?
- xxv. Page 15 (and beyond) uses the term “Department.” Which department?
- xxvi. Page 21 – “The Executive Director of the MCWDB may, at any time, makes changes by written order to the general scope of this contract...” – this is a contract revision, which needs to be agreed upon by both parties. In addition, how is this not a firewall violation, if the ED can unilaterally make changes without WDB oversight?
- xxvii. Page 21 – the subrecipient changes are again an example of extreme micromanagement, see comments in 7.xiii.
- xxviii. Page 21 – “The MCWDB reserves the right to decrease subrecipient’s budget or scope of services described herein based on any over/under or non-performance...” first, what performance are we talking about? Second, under or non-performance is considered a contract violation, which is generally handled formally by the procurement office (they issue a notice to cure, monitor performance, and move to cancel the contract if necessary). Why would we reduce funding for over-performance?
- xxix. Page 21 – Aren’t we prohibited from assessing fees on clients? If so, remove this – it just adds confusion.
- xxx. Page 22 – The \$1,000 threshold is not consistent with State or County levels. It’s typically \$5,000.
- xxxi. Page 23 – Why do we have a \$300 threshold on this? Why wouldn’t we follow industry standard?
- xxxii. Statement of work – this document meanders and fails to provide the reader with a clear understanding of what work is to be performed. I understood also that the intention of this contract was to provide additional performance metrics for the service provider.
  - 1. In general, a scope of work needs to address who gives and gets services; when, where and how these services are provided; and any performance expectations (timeliness, success rates, penetration in community, etc.). Instead, this reads as something that intends to dictate how the service is delivered with no regard to actual outcomes.
  - 2. Volume of clientele are not addressed, even.
  - 3. I’m also worried about the ability for the OSO to direct the work of the service provider. This seems like a firewall violation. Clarity on what the OSO is doing and what the service provider is doing is needed.
  - 4. Not sure why City of Phoenix is called out specifically on page 31 – is this meant to be a partnership or is it a typo?
  - 5. Where is the list of affiliate sites referenced on page 35?
  - 6. This entire document needs to be rewritten.