NEW RIVER/MOUNT ROGERS WORKFORCE DEVELOPMENT BOARD

CULTIVATING TALENT FOR THE REGION

GOVERNANCE AND LEGAL COMPLIANCE

Effective Date: January 1, 2026

MANUAL PURPOSE, AUTHORITY, AND HIERARCHY STATEMENT

Effective January 1, 2026

I. Purpose

The Governance and Legal Compliance Manual establishes the foundational legal authority, governance structure, ethical standards, civil rights obligations, and oversight framework for the New River/Mount Rogers Workforce Development Board (NRMRWDB).

This manual defines the Board's statutory responsibilities under:

- Workforce Innovation and Opportunity Act (WIOA)
- 2 CFR Part 200 (Uniform Guidance)
- 29 CFR Part 38 (Equal Opportunity)
- Applicable federal and Virginia Works guidance

This manual governs all Board actions, committees, delegated authority, and oversight functions.

II. Policy Hierarchy

The NRMRWDB operates under a three-tier governance structure:

Tier I – Governance and Legal Compliance Manual (This Manual)
Establishes statutory authority, ethical governance standards, compliance obligations, and oversight structure.

Tier II – Financial Management and Procedures Manual
Establishes fiscal controls, internal control systems, procurement standards, match tracking, cash management, audit controls, and financial monitoring procedures.

Tier III – Programmatic Policies and Operations Manual
Establishes operational procedures governing eligibility, service delivery, training, supportive services, youth programs, performance accountability, and participant documentation.

III. Supremacy of Governance Authority

In the event of any conflict between manuals:

1. Federal and state law shall control.
2. This Governance Manual shall control matters involving:
    - Board authority
    - Ethical standards
    - Civil rights compliance
    - Oversight structure
    - Delegation of authority

Operational and fiscal procedures must align with this governance framework.

IV. Board Adoption

This manual is adopted by formal action of the NRMRWDB and supersedes prior standalone governance policies effective January 1, 2026.

SECTION 1 – Organizational Authority and Legal Framework

Establishes statutory authority under WIOA and applicable federal and state law.
Defines the Board as the governing body and identifies compliance with:

- Workforce Innovation and Opportunity Act
- 2 CFR Part 200 (Uniform Guidance)
- Federal nondiscrimination requirements
- Virginia Works guidance

SECTION 2 – Board Governance and Roles

Defines:

- Roles and responsibilities of the Board
- Authority of the Executive Director
- Delegation of authority
- Oversight expectations
- Committee structure

SECTION 3 – Ethics, Conflict of Interest, and Code of Conduct

Consolidates:

- Conflict of Interest Policy (Board and Staff)
- Annual disclosure requirements
- Recusal procedures
- Organizational code of conduct
- Prohibition on self-dealing

SECTION 4 – Whistleblower and Fraud Reporting

Establishes:

- Reporting mechanisms
- Protection against retaliation

- Investigation procedures
- Documentation standards
- Escalation process

SECTION 5 – Equal Opportunity, Civil Rights, and Accessibility

Establishes:

- Compliance with WIOA Section 188
- Nondiscrimination standards
- ADA compliance
- Language access
- Reasonable accommodation procedures
- Complaint procedures related to discrimination

SECTION 6 – Records Retention and Confidentiality

Consolidates:

- Records retention schedules
- Protection of Personally Identifiable Information
- Data security standards
- Access controls
- Confidentiality obligations

SECTION 7 – Internal Monitoring and Oversight

Defines:

- Internal monitoring responsibilities
- Monitoring schedule expectations
- Documentation standards
- Reporting of findings

- Corrective action tracking

SECTION 8 – Subrecipient and Contractor Oversight

Establishes:

- Subrecipient monitoring framework
- Risk assessment
- Desk review and on-site review standards
- Documentation requirements
- Enforcement authority

SECTION 9 – Corrective Action and Audit Resolution

Defines:

- Response to monitoring findings
- Audit response procedures
- Timelines
- Documentation requirements
- Board notification requirements

SECTION 1 – ORGANIZATIONAL AUTHORITY AND LEGAL FRAMEWORK

1.1 Statutory Authority

The New River/Mount Rogers Workforce Development Board (NRMRWDB) is designated as the Local Workforce Development Board for its service area pursuant to the Workforce Innovation and Opportunity Act (WIOA), Public Law 113-128.

The NRMRWDB operates in accordance with:

- Workforce Innovation and Opportunity Act (WIOA)

- 20 CFR Parts 679, 680, 681, and 688, as applicable
- 2 CFR Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards
- Applicable United States Department of Labor regulations
- Virginia Works policy guidance and directives
- Applicable federal and state statutes and regulations

The Board functions as the local entity responsible for workforce development planning, oversight, and policy direction within its designated service area.

1.2 Service Area

The NRMRWDB serves the following jurisdictions:

Bland, Carroll, Galax, Floyd, Giles, Grayson, Montgomery, Pulaski, Smyth, Washington, Bristol, Wythe, and Radford.

The Board exercises workforce development planning and oversight responsibilities across this multi-jurisdictional region.

1.3 Board Authority and Responsibilities

As the Local Workforce Development Board under WIOA, the NRMRWDB is responsible for:

- Developing, submitting, and overseeing implementation of the Local Workforce Development Plan
- Setting policy for workforce development programs within its jurisdiction
- Selecting and overseeing the One-Stop Operator
- Identifying eligible providers of training services consistent with state policy
- Conducting oversight of workforce program performance
- Ensuring fiscal accountability through established internal control systems
- Monitoring compliance with applicable federal and state requirements
- Promoting alignment of workforce services with regional economic development priorities

The Board acts in a strategic and oversight capacity and does not directly administer programs unless authorized by law.

1.4 One-Stop System Oversight

The NRMRWDB oversees the local workforce development system, including the One-Stop delivery system.

The Board is responsible for:

- Selecting the One-Stop Operator in accordance with WIOA procurement requirements
- Entering into and maintaining Infrastructure Funding Agreements
- Ensuring coordination among required and additional One-Stop partners
- Monitoring system performance and accessibility

The Board ensures that the One-Stop system provides integrated, customer-centered services consistent with federal and state requirements.

1.5 Executive Director Authority

The Executive Director serves as the chief administrative officer of the NRMRWDB and is responsible for implementing Board-approved policies and directives.

The Executive Director is authorized to:

- Manage day-to-day operations
- Supervise staff
- Execute agreements and contracts approved by the Board
- Ensure compliance with federal and state regulations
- Report fiscal and program performance to the Board
- Implement internal controls consistent with adopted policies

The Executive Director operates under authority delegated by formal action of the Board.

1.6 Relationship with Virginia Works

The NRMRWDB operates in coordination with Virginia Works as the designated state workforce agency for the Commonwealth of Virginia.

The Board complies with all applicable Virginia Works policy guidance, reporting requirements, monitoring directives, and state workforce system procedures.

The Board acknowledges the state’s oversight authority as provided under WIOA.

1.7 Fiscal Agent

The NRMRWDB has designated the New River Valley Regional Commission to serve as its Fiscal Agent.

The Fiscal Agent is responsible for:

- Receiving and maintaining grant funds
- Managing accounting records
- Disbursing funds in accordance with Board-approved direction
- Supporting financial reporting and audit functions
- Maintaining compliance with Generally Accepted Accounting Principles and applicable federal and state fiscal requirements

The Board retains oversight responsibility for fiscal integrity and compliance.

1.8 Supremacy of Law

All activities of the NRMRWDB shall be conducted in compliance with applicable federal and state law. In the event of any conflict between internal policy and governing law, applicable law shall control.

SECTION 2 – BOARD GOVERNANCE AND ROLES

2.1 Governance Structure

The workforce development system within the New River/Mount Rogers Workforce Development Area operates under a dual-governance structure consisting of:

1. The Consortium Board (Chief Elected Officials)
2. The Workforce Development Board (WDB)

Each body exercises authority consistent with WIOA and applicable state guidance.

The Consortium Board retains chief elected official authority as required under WIOA and is responsible for regional oversight and designation responsibilities.

The Workforce Development Board functions as the local workforce development board and exercises strategic planning, policy development, and oversight responsibilities.

2.2 Consortium Board Authority

The Consortium Board is composed of representatives from the jurisdictions within the workforce development area and serves as the chief elected official body.

The Consortium Board is responsible for:

- Designating the Workforce Development Board
- Approving the Local Workforce Development Plan
- Selecting the Fiscal Agent
- Entering into required agreements
- Overseeing regional compliance with WIOA
- Establishing standing and joint committees

The Consortium Board may create standing committees and joint committees with the Workforce Development Board as necessary

2.3 Workforce Development Board Authority

The Workforce Development Board is composed of business representatives, workforce representatives, education representatives, and required partner representatives consistent with WIOA membership requirements

The Workforce Development Board is responsible for:

- Developing and overseeing implementation of the Local Plan
- Establishing workforce policy
- Selecting and overseeing the One-Stop Operator
- Approving eligible training providers
- Monitoring program performance
- Making funding recommendations
- Supporting sector strategies and economic alignment

The WDB acts in a strategic and oversight capacity and does not directly administer programs unless authorized by law.

The Consortium Board retains final approval authority of the Local Workforce Development Plan as required under WIOA.

2.4 Officers and Executive Committees

Both the Consortium Board and the Workforce Development Board elect officers and establish Executive Committees.

Consortium Executive Committee leadership includes a Chair and Vice-Chair and appointed members

The Executive Committee is authorized to act on behalf of the full Board between meetings as delegated

The WDB Executive Committee consists of the Chair, Vice-Chairs, and additional business representatives elected in accordance with Board procedures

2.5 Standing Committees

The Consortium Board and the WDB maintain standing committees to support oversight responsibilities.

Committees include, but are not limited to:

Consortium Board Committees

- Executive Committee
- Finance Committee

- WDB Appointment Committee
- Nominating Committee

Joint Committees

- HR Committee
- One-Stop Operations and Delivery-System Committee
- Strategic Planning Committee

WDB Committees

- Budget and Administration Committee
- Policies and Procedures Committee
- Training Provider and Individual Training Account Committee
- Youth Committee
- Outreach and Publicity Committee

All committees report to their respective Board and operate in compliance with the Freedom of Information Act and Conflict of Interest requirements

2.6 Committee Accountability

Committees are advisory and oversight bodies and may make recommendations to the full Board. Final authority remains with the respective Board unless delegated by formal action.

Committee membership, composition, and assignments shall be reviewed annually.

2.7 Appointment and Nominations

The Consortium Board appoints members to the Workforce Development Board consistent with WIOA requirements.

The WDB maintains a Nominating Committee to identify officer candidates annually

Board composition shall reflect required business majority representation and sector diversity.

2.8 Meetings and Voting

The Workforce Development Board and Consortium Board shall conduct meetings in accordance with applicable open meeting laws. A quorum shall consist of a majority of appointed members unless otherwise specified. Official actions require a majority vote of members present.

SECTION 3 – ETHICS, CONFLICT OF INTEREST, AND STANDARDS OF CONDUCT

Effective Date: January 1, 2026

3.1 Purpose and Policy Statement

The New River Mount Rogers Workforce Development Board is committed to conducting all activities with integrity, impartiality, accountability, and full compliance with federal, state, and local laws.

As the Local Workforce Development Board designated under the Workforce Innovation and Opportunity Act (WIOA), the Board serves as a steward of public funds and must maintain the highest standards of ethical governance.

This section establishes standards of conduct applicable to:

- Board members
- Consortium members (Chief Local Elected Officials)
- Committee members
- Staff
- Contractors and subrecipients, where applicable

All individuals acting on behalf of the Board shall avoid actual conflicts of interest, perceived conflicts of interest, and any appearance of impropriety.

This policy complies with:

- WIOA Section 107(h)
- 2 CFR 200.112
- 2 CFR 200.318(c)
- The Virginia State and Local Government Conflict of Interests Act (Va. Code § 2.2-3100 et seq.)

3.2 General Ethical Principles

All Board members and staff shall:

- Act solely in the public interest
- Exercise independent judgment free from improper influence
- Avoid using position for personal gain
- Avoid preferential treatment
- Protect confidential information
- Preserve public confidence in the integrity of the workforce system

3.3 Conflict of Interest – Board Members

3.3.1 Prohibition

Board members shall not participate in the selection, award, administration, monitoring, or evaluation of any contract, grant, subaward, training provider, or service provider if a real or apparent conflict of interest exists.

A conflict of interest exists when:

• The Board member
• A member of the Board member’s immediate family
• The Board member’s business partner
• An organization employing or seeking to employ the Board member or immediate family

has a financial or other interest in the matter under consideration.

3.3.2 Recusal

When a conflict or potential conflict exists, the Board member shall:

• Publicly disclose the conflict prior to discussion
• Abstain from discussion and voting
• Leave the room during deliberation when appropriate

Recusals shall be documented in official meeting minutes.

3.4 Annual Disclosure Requirement

All Board members shall:

• Complete a Conflict of Interest Disclosure Form annually
• Update disclosures promptly if circumstances change

The Executive Committee shall:

• Review all disclosures annually
• Document review in meeting minutes
• Require corrective action if necessary

Board members shall receive annual training on conflict of interest and ethical governance standards. Failure to file disclosure forms may result in corrective action as determined by the Board.

3.5 Standards of Conduct – Staff

Staff conduct is governed by:

- This Governance Policy
- The Consortium Employee Handbook
- Federal Uniform Guidance
- Applicable Virginia law

Staff shall not:

• Participate in procurement where a conflict exists
• Accept gratuities intended to influence decisions
• Engage in outside employment that interferes with official duties
• Misuse public funds or property

All staff must comply with Hatch Act requirements when applicable.

3.6 Gifts and Gratuities

Board members and staff shall not solicit or accept gifts, favors, or anything of monetary value from:

• Contractors
• Subrecipients
• Training providers
• Vendors
• Entities seeking business with the Board

Unsolicited gifts of nominal value (under $25) may be accepted only if:

• Not intended to influence a decision
• Reported within two business days to the Executive Director
• Documented appropriately

The Executive Director shall report any such gifts to the Executive Committee Chair.

3.7 Use of Position and Public Statements

Board members and staff shall not:

• Use official position for private gain
• Make unauthorized public policy statements on behalf of the Board
• Represent personal opinions as official Board policy

Official public statements shall be made only by:

• The Board Chair
• The Executive Director
• Authorized designee

3.8 Enforcement and Accountability

Violations of this policy may result in:

For Board Members:
• Formal censure
• Removal from committee leadership
• Recommendation for removal consistent with WIOA and local procedures

For Staff:
• Disciplinary action consistent with the Employee Handbook
• Termination where warranted
• Referral to appropriate authorities when required

Suspected violations may be reported to:

• The Executive Director
• The Board Chair
• The Executive Committee

Retaliation against individuals reporting suspected violations in good faith is strictly prohibited.

3.9 Relationship to Financial and Procurement Controls

This section shall be read in conjunction with:

• The Financial Management and Procedures Manual
• Procurement Policy
• Whistleblower and Fraud Reporting Policy
• Subrecipient Monitoring Policy

All ethics and conflict standards apply to fiscal decision-making, procurement, and program administration activities.

SECTION 4 – WHISTLEBLOWER AND FRAUD REPORTING

Effective Date: January 1, 2026

4.1 Purpose

The New River Mount Rogers Workforce Development Board is committed to ethical governance, fiscal integrity, and lawful administration of all workforce programs and funds.

This policy promotes:

- Prevention of fraud, waste, and abuse
- Timely reporting of misconduct
- Protection for individuals who report concerns in good faith
- Compliance with federal mandatory disclosure requirements

This policy applies to:

- Board members
- Consortium members
- Officers
- Executive Director
- Employees
- Contractors
- Subrecipients
- Volunteers
- Program participants where applicable

4.2 Definitions

Fraud
An intentional act of deception for personal gain or to cause loss to another party, including false claims for payment, falsification of records, misrepresentation of eligibility, billing for services not rendered, payroll fraud, kickbacks, or bribery.

Waste
Extravagant, careless, or unnecessary expenditure of funds.

Abuse
Improper conduct inconsistent with sound business practices or legal standards.

Whistleblower
Any individual who reports suspected wrongdoing in good faith.

4.3 Mandatory Disclosure Requirement

In accordance with 2 CFR 200.113, the Board shall disclose in writing to the appropriate federal awarding agency or pass-through entity any credible evidence of:

- Violations of federal criminal law involving fraud, bribery, or gratuity violations;
- Violations of the False Claims Act.

Failure to make required disclosures may result in suspension or termination of award.

4.4 Reportable Conduct

Reportable conduct includes, but is not limited to:

- Misuse of WIOA or other grant funds
- Improper procurement practices
- Undisclosed conflicts of interest
- Falsification of participant or performance data
- Time and effort misreporting
- Unauthorized disclosure of personally identifiable information
- Discrimination violations
- Retaliation against complainants
- Theft of equipment or property
- Financial mismanagement

4.5 Reporting Procedures

Reports may be made to:

- Executive Director
- Board Chair
- Executive Committee Chair
- Directly to Virginia Works
- Directly to U.S. Department of Labor Office of Inspector General

If the allegation involves the Executive Director, the report shall be made to the Board Chair.

If the allegation involves the Board Chair, the report shall be made to Virginia Works.

Anonymous reports shall be accepted and investigated to the extent feasible.

4.6 Investigation Process

Upon receipt of a report:

1. A preliminary assessment shall be conducted.
2. If credible, a formal investigation shall be initiated.
3. Documentation and interviews shall be conducted as appropriate.
4. Findings shall be documented in writing.
5. Corrective action shall be implemented where warranted.

If criminal conduct is suspected, the matter shall be referred to appropriate oversight authorities.

4.7 Protection Against Retaliation

Retaliation against any individual who reports concerns in good faith is strictly prohibited.

Prohibited retaliation includes:

- Termination
- Demotion
- Harassment
- Intimidation
- Reduction in pay
- Threats
- Exclusion from opportunities

Violations shall result in disciplinary action.

4.8 False or Malicious Reports

Reports made in good faith are protected. Knowingly false or malicious allegations may result in disciplinary action.

4.9 Documentation and Record Retention

The Board shall maintain:

- Written reports
- Investigation documentation
- Corrective action records
- Mandatory disclosure notifications

Records shall be retained in accordance with:

- 2 CFR 200.334
- Virginia Works retention policies

Minimum retention: three years from final resolution or grant closeout, whichever is later.

4.10 Training and Monitoring

The Executive Director shall ensure:

- Annual fraud awareness training for staff
- Governance ethics training for Board members
- Subrecipient notification of reporting requirements

Fraud prevention controls shall be reviewed during:

- Internal monitoring
- Procurement reviews
- Fiscal reviews
- Single Audit
- Program monitoring

SECTION 5 – EQUAL OPPORTUNITY AND CIVIL RIGHTS COMPLIANCE

Effective Date: January 1, 2026

5.1 Purpose

The Board shall operate all workforce programs in compliance with:

• WIOA Section 188
• 29 CFR Part 38
• Title VI and Title VII of the Civil Rights Act
• Age Discrimination Act of 1975
• Age Discrimination in Employment Act
• Section 504 of the Rehabilitation Act
• Americans with Disabilities Act
• Title IX
• 2 CFR Part 200
• Virginia Works Methods of Administration

The Board is committed to providing equal opportunity in all programs and activities.

5.2 Prohibition Against Discrimination

No individual shall be excluded from participation in, denied benefits of, or subjected to discrimination on the basis of:

• Race
• Color
• Religion
• Sex (including pregnancy, childbirth, gender identity, and sexual orientation)
• National origin
• Age
• Disability
• Political affiliation or belief
• Citizenship or participation in a WIOA Title I-funded program

This applies to all recipients, contractors, subrecipients, service providers, training providers, and One-Stop partners.

5.3 Equal Opportunity Officer

The Board shall designate an Equal Opportunity Officer who:

• Reports directly to the Executive Director
• Coordinates WIOA EO compliance
• Maintains complaint logs
• Provides required reporting to Virginia Works and the Civil Rights Center

Subrecipients must designate an EO Liaison.

5.4 Notice and Accessibility Requirements

All facilities shall:

• Post the "Equal Opportunity Is the Law" notice
• Provide notice in alternative formats
• Include EO assurances in contracts and MOUs

Facilities and programs must comply with ADA, Section 504, and LEP standards.

Language assistance services shall be provided at no cost.

The Board shall provide universal access to workforce services consistent with WIOA Section 188.

5.5 Complaint Procedures

Complaints must be filed within 180 days of the alleged violation.

The Board shall:

• Acknowledge complaints in writing
• Conduct prompt investigation
• Resolve within required federal timelines
• Maintain a discrimination complaint log

Individuals may file directly with the U.S. Department of Labor Civil Rights Center.

5.6 Data Collection and Recordkeeping

The Board shall:

• Collect required EO demographic data
• Safeguard confidential information
• Maintain complaint logs
• Retain records pursuant to 2 CFR 200.334

EO data shall be kept separate from participant service files.

5.7 Monitoring and Enforcement

The Executive Director shall ensure:

- Annual EO training
- Periodic compliance reviews
- Monitoring of accessibility and notice requirements

Failure to comply may result in corrective action, suspension, termination, or referral to oversight authorities.

SECTION 6 – RECORDS RETENTION AND CONFIDENTIALITY

Effective Date: January 1, 2026

6.1 Purpose

The New River Mount Rogers Workforce Development Board shall maintain complete, accurate, and secure records sufficient to document compliance with federal, state, and local requirements.

This section establishes standards for:

- Record retention
- Record accessibility
- Confidentiality
- Protection of personally identifiable information
- Data security controls

This policy complies with:

- 2 CFR 200.334 – Record Retention Requirements
- 2 CFR 200.303 – Internal Controls
- 29 CFR Part 38 – Equal Opportunity Recordkeeping
- WIOA Section 116 and 185
- Virginia Works record retention guidance

6.2 Scope

This policy applies to all records related to:

- Governance activities
- Fiscal administration
- Procurement
- Subrecipient oversight
- Participant eligibility and service delivery
- Performance reporting
- Equal opportunity compliance
- Monitoring and audit activities

This includes records maintained by:

- Board members
- Staff
- Fiscal Agent

• Contractors
• Subrecipients
• One-Stop Operators

The Board may impose specific conditions consistent with 2 CFR 200.208 when a subrecipient is determined to be high-risk.

6.3 Record Retention Period

Unless a longer period is required by law, regulation, or grant agreement, records shall be retained for a minimum of:

Three (3) years from the date of submission of the final expenditure report or, for awards that are renewed quarterly or annually, from the date of submission of the quarterly or annual financial report.

If:

• Any litigation, claim, audit, or investigation is started before the expiration of the three-year period,
• Or if required by the awarding agency,

Records shall be retained until all issues are resolved and final action is taken. Upon notice of litigation, investigation, or audit, the Executive Director shall issue a records hold notice suspending routine destruction of relevant records.

6.4 Types of Records to Be Retained

Records include, but are not limited to:

• Financial records
• Source documentation (invoices, payroll, contracts)
• Procurement files
• Subrecipient monitoring reports
• Participant eligibility documentation
• Performance documentation
• Time and effort records
• Complaint files
• Equal opportunity logs
• Board and committee meeting minutes
• Conflict of interest disclosures
• Investigation documentation
• Audit reports and responses

6.5 Record Format and Accessibility

Records may be maintained in:

• Paper format
• Electronic format
• Scanned image format

Electronic records shall:

• Be backed up regularly
• Be protected against unauthorized alteration
• Be retrievable for monitoring and audit purposes

Records shall be made available to:

• Virginia Works
• U.S. Department of Labor
• Federal awarding agencies
• Pass-through entities
• Authorized auditors

Upon request and within a reasonable timeframe.

6.6 Confidentiality and Protection of Personally Identifiable Information

The Board shall safeguard personally identifiable information, including but not limited to:

• Social Security numbers
• Dates of birth
• Financial account information
• Medical information
• Demographic data
• Disability status
• Income information

Access to confidential information shall be limited to authorized personnel with a legitimate business need.

EO demographic data shall be stored separately from participant service files in accordance with 29 CFR Part 38.

6.7 Data Security and Access Controls

The Board shall implement reasonable administrative, technical, and physical safeguards to protect records, including:

- Password-protected systems
- Role-based access controls
- Secure storage of paper files
- Secure file transfer procedures
- Staff training on confidentiality requirements

Unauthorized access, disclosure, or breach of sensitive information shall be reported in accordance with the Whistleblower and Fraud Reporting Policy.

6.8 Fiscal Agent and Subrecipient Responsibilities

The Fiscal Agent and all subrecipients shall:

- Maintain records consistent with this policy
- Provide access to records upon request
- Retain records for required retention periods
- Protect confidential information

Record retention requirements shall be included in all contracts and subaward agreements.

6.9 Destruction of Records

At the conclusion of the required retention period, records may be destroyed in a secure manner.

Records containing confidential information shall be:

- Shredded (paper records), or
- Permanently deleted using secure data destruction methods (electronic records).

Destruction shall be documented.

6.10 Policy Review

This section shall be reviewed annually and updated as necessary to reflect changes in:

- Federal regulations
- Uniform Guidance updates
- Virginia Works guidance
- Data security standards

SECTION 7 – INTERNAL MONITORING AND OVERSIGHT

Effective Date: January 1, 2026

7.1 Purpose

The New River Mount Rogers Workforce Development Board shall maintain an internal monitoring and oversight system sufficient to:

• Ensure compliance with federal and state laws
• Safeguard public funds
• Promote program integrity
• Detect and prevent fraud, waste, and abuse
• Identify and correct deficiencies
• Support continuous improvement

This section complies with:

• 2 CFR 200.303 – Internal Controls
• 2 CFR 200.332 – Subrecipient Monitoring
• WIOA Sections 107 and 184
• Virginia Works monitoring guidance

7.2 Scope

Internal monitoring applies to:

• Governance activities
• Fiscal operations
• Procurement
• Subrecipient administration
• Program eligibility determinations
• Service delivery
• Performance reporting
• Equal opportunity compliance
• Data management
• One-Stop operations

Monitoring responsibilities extend to:

• Board activities
• Staff activities
• Fiscal Agent functions

• Contractors and subrecipients
• One-Stop Operator

7.3 Oversight Responsibilities

7.3.1 Board Oversight

The Workforce Development Board and Consortium Board provide strategic oversight and shall:

• Review fiscal and program performance reports
• Review audit findings and corrective actions
• Review monitoring results
• Approve corrective action plans
• Ensure implementation of internal control systems

Oversight shall be documented in meeting minutes.

7.3.2 Executive Director Responsibilities

The Executive Director shall:

• Implement monitoring procedures
• Ensure compliance with adopted policies
• Oversee corrective actions
• Ensure separation of duties
• Report material findings to the Board
• Coordinate with Virginia Works and federal oversight entities

7.3.3 Finance Oversight

Fiscal monitoring shall include:

• Review of expenditures for allowability
• Verification of supporting documentation
• Monitoring of budget-to-actual expenditures
• Review of drawdown accuracy
• Oversight of match and cost share documentation
• Review of procurement compliance

Fiscal controls shall align with the Financial Management and Procedures Manual.

7.4 Monitoring Methods

Monitoring activities may include:

- Desk reviews
- On-site reviews
- File reviews
- Risk assessments
- Data validation
- Financial reconciliations
- Interviews
- Observation of service delivery

At minimum, monitoring activities shall occur annually unless risk assessment justifies increased frequency.

7.5 Risk Assessment

The Board shall conduct periodic risk assessments of:

- Subrecipients
- Contractors
- Programs
- Fiscal processes

Risk factors may include:

- New entity status
- High funding levels
- Prior findings
- Staff turnover
- Complex program requirements

Monitoring frequency and intensity shall be adjusted based on risk.

7.6 Corrective Action

When deficiencies are identified:

1. Findings shall be documented in writing.
2. A corrective action plan shall be required.
3. Timelines for resolution shall be established.
4. Follow-up monitoring shall verify correction.

Failure to implement corrective action may result in:

• Suspension of payments
• Additional oversight
• Termination of agreements
• Referral to oversight authorities

7.7 Documentation Requirements

The Board shall maintain documentation of:

• Monitoring plans
• Monitoring reports
• Risk assessments
• Corrective action plans
• Follow-up verification
• Technical assistance provided

Documentation shall be retained consistent with Section 6 – Records Retention and Confidentiality.

7.8 Coordination with External Monitoring

The Board shall cooperate with monitoring conducted by:

• Virginia Works
• U.S. Department of Labor
• Federal awarding agencies
• Pass-through entities
• External auditors

Monitoring results shall be reviewed by leadership and corrective action implemented where required. Significant findings and questioned costs shall be reported to Virginia Works in accordance with state guidance.

7.9 Continuous Improvement

Monitoring is not solely compliance-based. The Board shall use monitoring results to:

• Improve service delivery
• Strengthen fiscal controls
• Enhance training

• Identify best practices
• Improve performance outcomes

SECTION 8 – SUBRECIPIENT and CONTRACTOR OVERSIGHT

Effective Date: January 1, 2026

8.1 Purpose

The New River Mount Rogers Workforce Development Board shall provide oversight of all subrecipients, contractors, and service providers to ensure:

• Compliance with federal and state requirements
• Proper use of funds
• Achievement of performance objectives
• Protection against fraud, waste, and abuse
• Proper internal control implementation

This section complies with:

• 2 CFR 200.331–200.333
• 2 CFR 200.332 – Subrecipient Monitoring and Management
• WIOA Sections 107 and 184
• Virginia Works monitoring guidance

8.2 Subrecipient Versus Contractor Determination

Prior to issuing an agreement, the Board shall determine whether an entity is a:

• Subrecipient; or
• Contractor

Determinations shall be made in accordance with 2 CFR 200.331.

The classification shall be documented and maintained in the procurement file.

Subrecipients are subject to programmatic and fiscal monitoring requirements under this section.

Contractors are subject to procurement oversight and performance monitoring consistent with the Financial Management and Procedures Manual.

8.3 Written Agreements

All subrecipient and contractor relationships shall be governed by written agreements that include:

• Statement of work
• Period of performance
• Funding amount
• Reporting requirements
• Performance standards
• Record retention requirements
• Equal opportunity assurances
• Conflict of interest requirements
• Whistleblower reporting requirements
• Audit requirements
• Access to records provisions

Subaward agreements shall include all required elements under 2 CFR 200.332(a).

8.4 Risk Assessment

Prior to issuing a subaward, the Board shall evaluate the risk of noncompliance by the subrecipient.

Risk factors may include:

• Prior monitoring findings
• Results of Single Audit
• Experience with federal awards
• Financial stability
• Staffing capacity
• New entity status

Risk assessments shall be documented and retained.

Monitoring frequency and intensity shall be adjusted based on risk level.

8.5 Monitoring Activities

Subrecipient monitoring shall include, as appropriate:

• Desk reviews of financial and performance reports
• Review of supporting documentation
• On-site monitoring visits
• File reviews
• Interviews with staff and participants

• Review of internal controls
• Review of time and effort documentation
• Procurement file reviews
• Verification of match documentation
• Data validation

Monitoring may be conducted annually or more frequently based on risk.

8.6 Financial Monitoring

Financial monitoring shall include:

• Review of invoices for allowability
• Verification of supporting documentation
• Budget-to-actual expenditure analysis
• Review of cost allocation methods
• Review of drawdown requests
• Review of match and leverage documentation
• Verification of segregation of duties

Costs must comply with 2 CFR Part 200 Subpart E.

8.7 Performance Monitoring

Performance monitoring shall include:

• Review of participant eligibility documentation
• Verification of services provided
• Review of measurable skill gains documentation
• Credential verification
• Follow-up documentation review
• Review of internal quality control processes

Reported outcomes must be supported by source documentation.

8.8 Monitoring Reports and Corrective Action

Monitoring results shall be documented in a written report that includes:

• Scope of review
• Findings
• Required corrective actions
• Timeline for response

Subrecipients shall submit corrective action plans within specified timelines.

Follow-up monitoring shall verify implementation.

Failure to correct deficiencies may result in:

• Suspension of payments
• Imposition of special conditions
• Termination of agreement
• Recovery of funds

8.9 Audit Requirements

Subrecipients subject to the Single Audit Act must:

• Provide a copy of the audit report
• Submit corrective action plans for findings
• Notify the Board of material weaknesses

The Board shall review audits and ensure findings are resolved.

8.10 Technical Assistance

Monitoring is both oversight and technical assistance.

The Board may provide:

• Training
• Written guidance
• Clarification of regulatory requirements
• Best practice recommendations

Technical assistance shall be documented.

8.11 Documentation and Retention

The Board shall maintain documentation of:

• Risk assessments
• Monitoring schedules
• Monitoring reports
• Corrective action plans
• Follow-up verification

Records shall be retained consistent with Section 6 – Records Retention and Confidentiality.

SECTION 9 – CORRECTIVE ACTION and AUDIT RESOLUTION

Effective Date: January 1, 2026

9.1 Purpose

The New River Mount Rogers Workforce Development Board shall respond promptly and effectively to audit findings, monitoring findings, compliance concerns, and identified deficiencies.

This section establishes formal procedures to:

- Ensure timely corrective action
- Resolve audit findings
- Prevent recurrence of deficiencies
- Protect federal and state funds
- Maintain compliance with grant conditions

This section complies with:

- 2 CFR Part 200 Subpart F – Audit Requirements
- 2 CFR 200.303 – Internal Controls
- WIOA Sections 184 and 107
- Virginia Works monitoring guidance

9.2 Scope

This section applies to findings or concerns identified through:

- Single Audit reports
- Independent financial audits
- Virginia Works monitoring reviews
- U.S. Department of Labor monitoring
- Internal monitoring activities
- Subrecipient monitoring
- Equal opportunity compliance reviews
- Investigations under the Whistleblower and Fraud Reporting Policy

9.3 Types of Findings

Findings may include:

• Questioned costs
• Internal control deficiencies
• Material weaknesses
• Significant deficiencies
• Noncompliance with laws or regulations
• Performance reporting deficiencies
• Procurement violations
• Documentation deficiencies
• Equal opportunity violations

9.4 Corrective Action Process

When a finding is identified:

1. The finding shall be documented in writing.
2. Responsible parties shall be identified.
3. A written corrective action plan shall be developed.
4. Specific corrective measures shall be defined.
5. Timelines for implementation shall be established.
6. Monitoring follow-up shall verify correction.

Corrective action plans shall address:

• Root cause
• Immediate corrective measures
• Preventive controls
• Policy or procedural revisions
• Training needs

9.5 Audit Resolution

For audit findings:

• Management shall prepare a written response.
• Corrective action plans shall be submitted within required timelines.
• Questioned costs shall be reviewed for allowability.
• Repayment or recovery shall occur when required.
• Documentation shall be retained in the audit resolution file.

The Board shall be informed of significant audit findings and corrective actions.

9.6 Questioned Costs

When questioned costs are identified:

- Supporting documentation shall be reviewed.
- Allowability shall be evaluated under 2 CFR Part 200 Subpart E.
- Legal or fiscal consultation may be obtained.
- Repayment shall occur when costs are determined to be unallowable.

Recovery procedures shall align with the Financial Management and Procedures Manual.

9.7 Subrecipient Corrective Action

When findings are issued to subrecipients:

- Written notice shall be provided.
- A corrective action plan shall be required.
- Timelines for compliance shall be established.
- Technical assistance may be provided.
- Follow-up monitoring shall verify resolution.

Failure to implement corrective action may result in:

- Special conditions
- Payment suspension
- Termination of subaward
- Recovery of funds

9.8 Board Oversight

The Workforce Development Board and Consortium Board shall:

- Review significant findings
- Monitor corrective action progress
- Ensure systemic improvements
- Document oversight in meeting minutes

Oversight shall be proportional to the severity of findings.

9.9 Continuous Improvement

Corrective action is not solely remedial. The Board shall use findings to:

• Strengthen internal controls
• Improve documentation practices
• Enhance staff training
• Clarify procedures
• Improve service delivery quality

9.10 Documentation and Retention

The Board shall maintain:

• Audit reports
• Management responses
• Corrective action plans
• Evidence of implementation
• Correspondence with oversight agencies

Records shall be retained in accordance with Section 6 – Records Retention and Confidentiality.