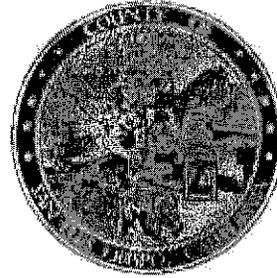


**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS  
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Auditor - Controller	(2) MEETING DATE 5/7/2013	(3) CONTACT/PHONE Kerry Bailey 788-2979	
(4) SUBJECT Submittal of the Workforce Investment Act Annual Fiscal and Procurement Review report for program year 2012-2013.			
(5) RECOMMENDED ACTION It is recommended that the Board receive and file the Workforce Investment Act Annual Fiscal and Procurement Review report.			
(6) FUNDING SOURCE(S) N/A	(7) CURRENT YEAR FINANCIAL IMPACT \$0.00	(8) ANNUAL FINANCIAL IMPACT \$0.00	(9) BUDGETED? Yes
(10) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. ___) <input type="checkbox"/> Board Business (Time Est. ___)			
(11) EXECUTED DOCUMENTS <input type="checkbox"/> Resolutions <input type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input checked="" type="checkbox"/> N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: <input type="checkbox"/> 4/5th's Vote Required <input checked="" type="checkbox"/> N/A	
(14) LOCATION MAP N/A	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY <input type="checkbox"/> N/A    Date: June 5, 2012	
(7) ADMINISTRATIVE OFFICE REVIEW <i>Nikki J. Schmidt</i>			
(18) SUPERVISOR DISTRICT(S) All Districts -			

# County of San Luis Obispo



TO: Board of Supervisors  
FROM: James P. Erb, CPA, Auditor - Controller  
DATE: 5/7/2013  
SUBJECT: Submittal of the Workforce Investment Act Annual Fiscal and Procurement Review report for program year 2012-2013.

## **RECOMMENDATION**

It is recommended that the Board receive and file the Workforce Investment Act Annual Fiscal and Procurement Review report.

## **DISCUSSION**

The Workforce Investment Act of 1998 rewrote statutes governing programs of job training, adult education, and literacy and vocational rehabilitation. The Act mandates the use of a One-Stop Operating Center which streamlines services, eliminates duplication of services and empowers individual participants to develop the skills necessary to obtain employment. Currently Goodwill Industries operates the adult One-Stop Center, provides system publicity and promotion activities, as well as outreach and recruitment services. The San Luis Obispo Community College District sub-contracts under Goodwill Industries to operate the youth One-Stop Center.

The purpose of our review was to determine the level of compliance with the County contract, as well as the application of federal and state laws, regulations, policies and directives related to the WIA funds regarding financial management and procurement for program year 2012-2013.

We have attached our monitoring report which included a Fiscal Review Results section. The report was issued to Goodwill Industries on April 11, 2013.

## **OTHER AGENCY INVOLVEMENT/IMPACT**

Department of Social Services.

## **FINANCIAL CONSIDERATIONS**

The County contracted with Goodwill Industries for \$1,980,668 for Program Year 2012-2013.

## **RESULTS**

There were no findings or corrective actions reported for Goodwill Industries' fiscal and procurement activities.

Annual fiscal and procurement review of the County's Workforce Investment Act contractor is one of the tools mandated by the State to ensure compliance with the many requirements needed to operate a successful work assistance program for the residents of the County of San Luis Obispo. Annual monitoring activities help maintain contractor accountability for public funds and contribute to the County's vision of a livable, prosperous and well governed community.

**ATTACHMENTS**

1. WIA Annual Fiscal and Procurement Review Report



## COUNTY OF SAN LUIS OBISPO

Office of the Auditor-Controller

1055 Monterey Street, Room D220  
San Luis Obispo, California 93408  
Phone (805) 781-5040 · Fax (805) 781-1220  
www.slocounty.ca.gov/ac

James P. Erb, CPA, CICA  
Auditor-Controller

James Hamilton, CPA *Assistant*  
Lydia Corr, CPA *Deputy*  
Tamara Kalzuka, CPA *Deputy*

April 11, 2013

Michael J. Paul, President and CEO  
Goodwill Industries of Santa Cruz, Monterey and SLO Counties  
Workforce Investment Act Services  
350 Endinal St.  
Santa Cruz, CA 95060

RE: WORKFORCE INVESTMENT ACT  
FISCAL AND PROCUREMENT REVIEW  
FINAL MONITORING REPORT  
PROGRAM YEAR 2012-2013

Dear Mr. Paul:

This report is to inform you of the results of our review for Program Year 2012-2013 of the Goodwill Industries of Santa Cruz, Monterey and San Luis Obispo Counties Workforce Investment Act Services (Goodwill Industries) grant financial management and procurement systems. For the fiscal portion of this review, we focused on the following areas: fiscal policies and procedures, accounting system, reporting, program income, expenditures, internal controls, allowable costs, cash management, cost allocation, indirect costs, fiscal monitoring, single audit and audit resolution policies and procedures, and written internal management procedures. For the procurement portion of the review, we examined procurement policies and procedures, methods of procurement, procurement competition and selection of service providers, cost and price analyses and contract terms and agreements.

Our review was conducted under the authority of Section 667.410 (b)(1), (2) & (3) of Title 20 of the Code of Federal Regulations (20 CFR). The purpose of this review was to determine the level of compliance by Goodwill Industries with applicable federal and state laws, regulations, policies, and directives related to the Workforce Investment Act (WIA) grant regarding financial management and procurement for Program Year 2012-2013.

We collected the information for this report through interviews with representatives of Goodwill Industries, a review of applicable policies and procedures, and a review of documentation retained by Goodwill Industries for a sample of reimbursement claims, expenditures and procurements for Program Year 2012-2013.

### BACKGROUND

Goodwill Industries was awarded WIA Adult, Dislocated Worker, Rapid Response, and Youth Services funds from the County of San Luis Obispo in the amount of \$1,980,668 to provide

One-Stop system publicity and promotion activities; outreach and recruitment services; and One-Stop career centers facility management and maintenance for FY 2012-2013.

#### FISCAL REVIEW RESULTS

We determined that, overall, Goodwill Industries is meeting applicable WIA requirements concerning the financial management and procurement systems of this grant for Program Year 2012-2013.

Because the methodology for our monitoring review included sample testing, this report is not a comprehensive assessment of all the areas included in our review. It is Goodwill Industries' responsibility to ensure that its systems, programs, and related activities comply with the WIA grant program, Federal and State regulations, and applicable State directives. Therefore, any deficiencies identified in subsequent reviews, such as an audit, remain Goodwill Industries' responsibility.

We would like to thank Goodwill Industries of Santa Cruz, Monterey and San Luis Obispo Counties and your staff for their cooperation and assistance during our review. If you have any questions regarding this report or the review that was conducted, please contact Matt Purkiss, Auditor-Analyst at (805) 781-5099 or Kerry Bailey, Chief Internal Auditor at (805) 788-2979.

Sincerely,



James P. Erb, CPA, CICA  
Auditor-Controller

Cc: Reva Bear, Department of Social Services Program Manager  
Gladys Kintz, Department of Social Services Fiscal Manager  
John T. Collins, II, MPH Senior Vice President  
Bill Barker, Finance Manager, Shoreline Workforce Development Services