

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

(1) DEPARTMENT Auditor - Controller - Treasurer - Tax Collector	(2) MEETING DATE 6/7/2016	(3) CONTACT/PHONE Kerry Bailey 788-2979 Suzanne DeWitt 781-4846	
(4) SUBJECT Submittal of the Workforce Investment and Opportunity Act (WIOA) Fiscal and Procurement Review report for program year 2015-2016. All Districts			
(5) RECOMMENDED ACTION It is recommended that the Board receive, review, and file the Workforce Investment and Opportunity 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"/> 4/5 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: <u>6/2/2015</u>	
(17) 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 - Treasurer - Tax Collector

DATE: 6/7/2016

SUBJECT: Submittal of the Workforce Investment and Opportunity Act (WIOA) Fiscal and Procurement Review report for program year 2015-2016. All Districts

## **RECOMMENDATION**

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

## **DISCUSSION**

The Workforce Investment Act (WIA) of 1998 rewrote statues 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. In 2014 the Workforce Innovation and Opportunity Act (WIOA) was signed into law. WIOA supersedes and updates the Workforce Investment Act (WIA) of 1998. WIOA retains the basic components of the WIA, and streamlines programs and reporting while increasing the focus on servicing the most vulnerable workers including disadvantaged and unemployed adults and youth. Currently Goodwill Industries operates an adult One-Stop Center, provides system publicity and promotion activities, as well as outreach and recruitment services.

The purpose of our review was to determine the level of Goodwill Central Coast's compliance with the County contract, as well as the application of federal and state laws, regulations, policies and directives related to the WIOA funds regarding financial management and procurement for program year 2015-2016. We have attached our monitoring report which was issued to Goodwill Central Coast on May 16, 2016.

## **OTHER AGENCY INVOLVEMENT/IMPACT**

Department of Social Services

## **FINANCIAL CONSIDERATIONS**

The County contracted with Goodwill Central Coast for \$776,638 for program year 2015-2016.

## **RESULTS**

We determined overall, Goodwill Central Coast is meeting applicable WIOA requirements concerning financial management for program year 2015-2016. During our review of procurement systems, we made one suggested improvement for an issue which did not rise to the level of non-compliance. The suggested improvement can be found in the attached monitoring report.

## **ATTACHMENTS**

1. Goodwill Central Coast WIOA Report



# COUNTY OF SAN LUIS OBISPO

AUDITOR • CONTROLLER • TREASURER • TAX COLLECTOR

## **Workforce Innovation and Opportunity Act Fiscal and Procurement Review Final Monitoring Report Program Year 2015-16**

**May 2016**

**JAMES P. ERB, CPA  
Auditor-Controller  
Treasurer-Tax Collector-Public Administrator**



# COUNTY OF SAN LUIS OBISPO

AUDITOR • CONTROLLER • TREASURER • TAX COLLECTOR

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JAMES P. ERB, CPA

Auditor-Controller  
Treasurer-Tax Collector

James W. Hamilton, CPA  
Assistant

May 16, 2016

Edward Durkee, President and CEO  
Goodwill Central Coast, America's Job Center  
Workforce Innovation and Opportunity Act  
350 Encinal St.  
Santa Cruz, CA 95060

Dear Mr. Durkee:

This report is to inform you of the results of our Workforce Innovation and Opportunity Act (WIOA) program year 2015-16 review of the one-stop services' financial management and procurement systems. For the financial management portion of this review, we focused on the following areas: internal controls including fiscal policies and procedures, allowable costs, cash management, cost allocation, single audit, and fiscal reporting. For the procurement portion of the review, we examined internal controls including procurement policies and procedures, methods of procurement, 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 Goodwill Central Coast's financial management and procurement compliance with applicable federal and state laws, regulations, policies, and directives related to the Workforce Innovation and Opportunity Act funding.

We collected the information for this report through interviews with representatives of Goodwill Central Coast, a review of applicable policies and procedures, and a review of documentation supporting samples of reimbursement claims, expenditures and procurements for program year 2015-16.

## BACKGROUND

Goodwill Central Coast was awarded WIOA funds from the County of San Luis Obispo in the amount of \$776,638 to provide American's Job Center of California one-stop adult, dislocated worker, and rapid response services for program year 2015-16.

## FISCAL REVIEW RESULTS

We determined overall, Goodwill Central Coast is meeting applicable WIOA requirements concerning financial management for program year 2015-16.

## PROCUREMENT REVIEW RESULTS

We determined overall, Goodwill Central Coast is meeting applicable WIOA requirements concerning the procurement systems for program year 2015-16. During our review we made one suggested improvement for an issue which did not rise to the level of non-compliance: we found a piece of WIOA-related equipment that was not recorded on the inventory log. The Uniform Administrative Requirements require property records to be kept in order to help prevent equipment from being misplaced, misappropriated and misused. We recommend, and Goodwill Central Coast has agreed to, an update of the inventory log to include all WIOA-related equipment.

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

We would like to thank Goodwill Central Coast and particularly the fiscal and one-stop 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 Suzanne De Witt at (805) 781-4846 or Kerry Bailey, Chief Internal Auditor at (805) 788-2979.

Sincerely,



James P. Erb, CPA, CICA  
Auditor-Controller

Cc: Nick Andrews, Director of Finance  
Kathleen Marcove, Vice President of Workforce and Organizational Development  
Derek Scranton, Senior Accountant, Goodwill Central Coast  
Gladys Kintz, Department of Social Services Fiscal Manager  
Tammy Aguilera, Department of Social Services Manager  
Dawn Boulanger, Department of Social Services Program Manager