



COUNTY OF SAN LUIS OBISPO
DEPARTMENT OF SOCIAL SERVICES
WORKFORCE DEVELOPMENT BOARD

3433 South Higuera Street, P.O. Box 8119, San Luis Obispo, CA 93403-8119
(P) 1-805-781-1908

POLICY NO: 22-19

TO: Service Providers

EFFECTIVE: January 01, 2020, Revised December 14, 2020

SUBJECT: Audit Requirements

REFERENCES:

- Public Law 128, The Workforce Innovation and Opportunity Act, Sec. 184, Fiscal Controls and Sanctions
- Title 2 Code of Federal Regulations (CFR) Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), General Provisions Subpart F – Audit Requirements
- Workforce Services Directive WSD20-03 Audit Requirements

PURPOSE:

The purpose of this directive is to articulate the audit requirements for entities receiving Workforce Innovation and Opportunity Act (WIOA) funds, in accordance with Uniform Guidance.

This policy is based on WDBSLO's interpretation of WIOA law, regulations and policies and federal, state and local laws, regulations and policies. This policy will be reviewed and updated based on any additional federal or state guidance.

BACKGROUND:

Audit requirements specified in Uniform Guidance require nonfederal entities that expend a total amount of federal award(s) during the nonfederal entities Fiscal Year, equal to or in excess of \$750,000 to have either a single audit or a program-specific audit. Nonfederal entities that expend federal awards from more than one federal program must have a single audit.

Uniform Guidance requires each recipient of funds under the WIOA to:

- Monitor the service provider's federal awards through site visits, limited scope audits, or other means;

- Review audits of service providers to determine if prompt and appropriate corrective action has been taken with respect to audit findings; and
- Require each of its service providers of federal awards to permit, as a condition of receiving federal awards, the independent auditor of the pass-through entity to have such access to the service provider's records and financial statements as may be necessary.

POLICY AND PROCEDURES:

Each service provider's contracts and memorandums of understanding shall contain the following requirement:

As a condition of receiving WIOA funds, the auditor or monitor of the Department of Social Services (DSS), and the Employment Development Department (EDD) auditors, investigators, monitors, and their representatives, and any oversight entity representing the Department of Labor (DOL) Employment and Training Agency shall at all times during the period that the grant is in force and for a period of three years thereafter, have access to all related records and financial statements and to individuals with knowledge of the records and financial statements as may be necessary to ensure compliance with the WIOA statute, regulations, and directives. Federal awarding agencies and pass-through entities cannot impose any other record retention requirement upon non-federal entities. The only exceptions are as follows:

- If any litigation, claim, or audit is started before the expiration of the 3-year period, the records must be retained until all litigation, claims, or audit findings involving the records have been resolved and final action taken.
- When the non-federal entity is notified in writing by the federal awarding agency, cognizant agency for audit, oversight agency for audit, cognizant agency for indirect costs, or pass-through entity to extend the retention period.
- Records for real property and equipment acquired with federal funds must be retained for three years after final disposition.
- When records are transferred to or maintained by the federal awarding agency or pass-through entity, the 3-year retention requirement is not applicable to the non-federal entity.
- Records for program income transactions after the period of performance.
- Indirect cost rate proposals and cost allocations plans.

Audit Requirements

The DSS will ensure that each of its service providers expending \$750,000 or more of federal funds for fiscal years beginning after December 25, 2014.

Governmental entities will continue submitting copies of their single audit reports to the Federal Audit Clearing House (FAC) and the State Controller's Office (SCO). Reports

must be submitted within 30 calendar days after receipt of the auditor's report(s) or nine months after the end of the audit period, whichever is earlier:

Federal Audit Clearing House online submission:

<https://facweb.census.gov/>

Mailing address:

State Controller's Office
Division of Audits
Financial Audits Bureau/Single Audits Unit
Office P.O. Box 942850
Sacramento, CA 94250-5874

Street Address for Fed Ex:

State Controller's Office
Division of Audits
Financial Audits Bureau/Single Audits Unit
3301 C Street, Suite 700
Sacramento, CA 95816

Copies of Private, Non-Profit Organizations and Governmental entities' single audit reports are to be submitted to the DSS as follows:

Director, Workforce Development Board
Department of Social Services
P.O. Box 8119
San Luis Obispo, CA 93403

ACTION:

DSS WDB staff and service providers shall follow this policy. This policy will remain in effect from the date of issue until such time that a revision is required.

INQUIRIES:

Any questions regarding this policy may be directed to the DSS WIOA Program Manager at 805-781-1838.

Workforce Development Board (WDB) Approval Required? Yes No X

Initial approval date: _____

WDB revision approval date: _____