DIRECTIVE NO:  22-19

TO:    Service Providers

EFFECTIVE: January 01, 2020

SUBJECT: Audit Requirements

REFERENCES:

- Public Law 128, The Workforce Innovation and Opportunity Act, Sec. 184, Fiscal Controls and Sanctions

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 SLO WDB’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.

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:

**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: ________________