



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

(1) DEPARTMENT Auditor-Controller-Treasurer- Tax Collector	(2) MEETING DATE 5/5/2026	(3) CONTACT/PHONE Kari Lekvold (805) 781-4846	
(4) SUBJECT Request to receive, review, and file the Workforce Innovation and Opportunity Act Fiscal and Procurement Review Monitoring Report for Eckerd Youth Alternatives, Inc. for program year 2025-26.			
(5) RECOMMENDED ACTION It is recommended that the Board receive, review, and file the Workforce Innovation and Opportunity Act Fiscal and Procurement Review Monitoring Report for Eckerd Youth Alternatives, Inc. and provide direction as deemed necessary.			
(6) FUNDING SOURCE(S) N/A	(7) CURRENT YEAR FINANCIAL IMPACT \$0	(8) ANNUAL FINANCIAL IMPACT \$0	(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 No	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY <input type="checkbox"/> N/A Date <u>12/09/2025</u>	
(17) EXECUTIVE OFFICE REVIEW Bill Lucia			



COUNTY OF SAN LUIS OBISPO

TO: Board of Supervisors

FROM: James W. Hamilton, CPA, Auditor – Controller – Treasurer – Tax Collector

DATE: May 5, 2026

SUBJECT: Request to receive, review, and file the Workforce Innovation and Opportunity Act Fiscal and Procurement Review Monitoring Report for Eckerd Youth Alternatives, Inc. for program year 2025-26.

RECOMMENDATION

It is recommended that the Board receive, review, and file the Workforce Innovation and Opportunity Act Fiscal and Procurement Review Monitoring Report for Eckerd Youth Alternatives, Inc. and provide direction as deemed necessary.

DISCUSSION

The 2014 Workforce Innovation and Opportunity Act (WIOA) is a federally funded grant program that aims to support workforce development initiatives. The WIOA grant focuses on promoting a demand-driven approach to workforce development by aligning job seekers' skills with the needs of employers. The grant funds can be used for a range of activities, including job training, career counseling, apprenticeships, and on-the-job training. The grant supports programs for youth and adult workers.

For the program year 2025-26, contracts totaling \$1,600,000 were awarded to Eckerd Youth Alternatives, Inc. (Eckerd) to provide adult, dislocated workers, and youth job services in the County.

In accordance with the WIOA grant requirements, annual fiscal and procurement monitoring is conducted to ensure that grant funds have been spent in accordance with federal and state laws, regulations, policies, and directives related to WIOA funds.

Our fiscal and procurement monitoring objectives were:

- To determine whether expenditure reports were accurate, current, and complete.
- To determine whether payroll costs were accurately charged as direct or allocated costs and were allowable, appropriate and authorized.
- To determine whether invoiced expenses were accurately charged as direct or allocated costs and were allowable, appropriate, and authorized.

- To determine whether purchases made through procurement processes complied with applicable guidelines.

We determined that Eckerd complies with the financial management requirements. The review did not result in any findings. However, two suggested improvements were identified. Suggested improvements are considered lower risk than findings and do not require a written response from management. Details are included in the attached report.

OTHER AGENCY INVOLVEMENT/IMPACT

The Department of Social Services receives and administers WIOA grant funds to Eckerd Youth Alternatives, Inc.

FINANCIAL CONSIDERATIONS

The County's 2025-26 WIOA program contracts with Eckerd Youth Alternatives, Inc. totaled \$1,600,000.

RESULTS

Audits of grants improve compliance and support monitoring consistent with the County's vision of a livable and well governed community.

ATTACHMENTS

1. WIOA Fiscal and Procurement Review Monitoring Report of Eckerd Youth Alternatives PY 2025-26



Attachment #1

COUNTY OF SAN LUIS OBISPO
Office of James W. Hamilton, CPA
Auditor-Controller • Treasurer-Tax Collector • Public Administrator

Michael Stevens, Deputy
Justin Cooley, Deputy

**Workforce Innovation and Opportunity Act
Fiscal and Procurement Review
Monitoring Report of
Eckerd Youth Alternatives, Inc.**

Program Year 2025-26

Department of Social Services

March 2026

James W. Hamilton, CPA
Auditor-Controller • Treasurer-Tax Collector



TO: DEVIN DRAKE, SOCIAL SERVICES DIRECTOR

FROM: JAMES W. HAMILTON, CPA, AUDITOR-CONTROLLER-TREASURER-TAX COLLECTOR

DATE: MARCH 20, 2026

SUBJECT: WORKFORCE INNOVATION AND OPPORTUNITY ACT ANNUAL FISCAL AND PROCUREMENT REVIEW MONITORING REPORT FOR PROGRAM YEAR 2025-26

Our office recently completed the annual fiscal and procurement monitoring review of the Workforce Innovation and Opportunity Act funded contracts with Eckerd Youth Alternatives, Inc. for the 2025-26 program year. The review did not result in any findings. However, two suggested improvements are included below for Eckerd's consideration.

BACKGROUND

The Workforce Innovation and Opportunity Act (WIOA) is designed to strengthen and improve the public workforce systems and put job seekers back to work by helping workers acquire the skills employers need and help employers access the talent pool available to compete in a global economy. For Program Year 2025-26, the Department of Social Services (DSS) awarded WIOA contracts to Eckerd Youth Alternatives, Inc. (Eckerd) in the amount of \$1,600,000 to provide youth and adult job services in the County.

Eckerd was awarded \$750,000 for Adult and Dislocated Worker programs and \$750,000 for the Youth program. Of the \$750,000 for Adult and Dislocated Worker programs, \$399,700 is for the Adult program and \$350,300 is for the Dislocated Worker program. Additionally, Eckerd was awarded \$100,000 for the Rapid Response program.

These programs provide job seekers employment opportunities through community partner agencies as well as services provided through the America's Job Center of CA (AJCC) site and Atascadero Chamber of Commerce satellite office. Job seeker services include outreach, intake/eligibility, orientation, education/training, and other supportive services.

PURPOSE

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 objective of this review was to determine Eckerd'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.



METHODOLOGY

We conducted our review in conformance with the *International Standards for the Professional Practice of Internal Auditing (Standards)*. The *Standards* require that the internal audit activity be independent and internal auditors be objective in performing their work. The *Standards* also require that internal auditors perform their engagements with proficiency and due professional care; that the internal audit function be subject to a program of quality assurance; and that the results of engagements are communicated.

Our procedures related to financial management focused on internal controls including fiscal policies and procedures, allowable costs, and accurate and complete fiscal reporting. Our procedures related to procurement focused on internal controls including procurement policies and procedures, methods of procurement, cost and price analyses, contract terms and agreements.

We collected the information for this report through interviews with representatives of Eckerd, review of Eckerd's applicable policies and procedures, and review of supporting documentation for samples of reimbursement claims, expenditures and procurements occurring in the 2025-26 program year.

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 Eckerd's responsibility to ensure that their systems, programs, and related activities comply with the WIOA grant program requirements, federal and state regulations, and applicable directives. Therefore, any deficiencies identified in subsequent reviews, such as an audit, remain Eckerd's responsibility.

FISCAL AND PROCUREMENT REVIEW RESULTS

We determined that Eckerd is meeting the overall applicable WIOA requirements for financial and procurement management for program year 2025-26.

Two suggested improvements were identified during our review. These represent best practices recommended to strengthen internal controls and enhance operational effectiveness. Unlike findings, suggested improvements are considered lower risk and do not require a written response from management.

Suggested Improvements:

- 1) We recommend that Eckerd separately classify purchases of technological equipment (e.g., headsets) and cellular service costs in the



organization's financial records to improve the accuracy and clarity of financial reporting.

2) We recommend that Eckerd establish and document written procedures for handling extenuating circumstances that may delay the collection of required signatures on participant timesheets.

We would like to thank your staff and Eckerd for the cooperation and assistance we received during our review. If you have any questions regarding this report, please contact Kari Lekvold, Internal Audit Manager, at (805) 781-4846.

Sincerely,

A handwritten signature in black ink, appearing to read "J. Hamilton".

James W. Hamilton, CPA
Auditor-Controller-Treasurer-Tax Collector

Cc: Dawn Boulanger, Department of Social Services Workforce Development Board Director
Diana Marin, Department of Social Services Program Manager
Tamara Cutajar, Department of Social Services Administrative Manager
Atoosa Boyd, Department of Social Services Fiscal Division Manager
Eddie Hernandez, Program Review Specialist
Marc Gonzales, Auditor Analyst
Addison Gregory, Administrative Analyst
Michelle Arencibia, Eckerd Finance Manager
Aaron Moon, Eckerd Operations Director
Jonathan Ziegler, Eckerd VP of Operations
Vincent DePompei, Eckerd Finance Manager
Blake Brandt, Eckerd Financial Analyst