



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

(1) DEPARTMENT Auditor – Controller – Treasurer – Tax Collector	(2) MEETING DATE 6/7/2022	(3) CONTACT/PHONE Mark Maier (805) 781-4267 Kari Lekvold (805) 781-4846	
(4) SUBJECT Request to receive, review, and file an audit report of Eckerd Youth Alternatives, Inc., Workforce Innovation and Opportunity Act Annual Fiscal and Procurement Review for Program Year 2021-22. All Districts.			
(5) RECOMMENDED ACTION It is recommended that the Board receive, review, and file an audit report of Eckerd Youth Alternatives, Inc., Workforce Innovation and Opportunity Act Annual Fiscal and Procurement Review for Program Year 2021-22.			
(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: N/A <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 <u>8/10/2021</u>	
(17) ADMINISTRATIVE OFFICE REVIEW Zachary A. Lute			
(18) SUPERVISOR DISTRICT(S) All Districts			



COUNTY OF SAN LUIS OBISPO

TO: Board of Supervisors

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

DATE: 6/7/2022

SUBJECT: Request to receive, review, and file an audit report of Eckerd Youth Alternatives, Inc., Workforce Innovation and Opportunity Act Annual Fiscal and Procurement Review for Program Year 2021-22. All Districts.

RECOMMENDATION

It is recommended that the Board receive, review, and file an audit report of Eckerd Youth Alternatives, Inc., Workforce Innovation and Opportunity Act Annual Fiscal and Procurement Review for Program Year 2021-22.

DISCUSSION

The 2014 Workforce Innovation and Opportunity Act (WIOA) is a federally funded grant program that provides employment training, education, literacy and vocational rehabilitation services for adults and youth. 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 needed to compete in a global economy. For Program Year 2021-22, contracts totaling \$1,292,754 were awarded to Eckerd Youth Alternatives, Inc. (Eckerd) to provide youth and adult job services in the County.

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

Our audit objectives were to:

- (1) Determine whether Eckerd's expenditure reports were accurate, current, and complete.
- (2) Determine whether Eckerd's payroll costs charged to the WIOA grant were accurately charged as direct or allocated costs and were appropriate and authorized.
- (3) Determine whether Eckerd's invoiced WIOA expenses were accurately charged as direct or allocated costs and were allowable, appropriate, and authorized.
- (4) Determine whether purchases made through procurement processes were completed in compliance with applicable federal guidelines.

Our review determined that Eckerd is meeting the overall applicable WIOA requirements for financial management and procurement activities for program year 2021-22.

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 2021-22 program year contracts with Eckerd Youth Alternatives, Inc. totaled \$1,292,754 for WIOA services.

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 PY 2021-22



COUNTY OF SAN LUIS OBISPO
AUDITOR - CONTROLLER • TREASURER - TAX COLLECTOR

**Workforce Innovation and Opportunity Act
Fiscal and Procurement Review
Monitoring Report
Program Year 2021-22**

Department of Social Services

May 2022

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



TO: DEVIN DRAKE, SOCIAL SERVICES DIRECTOR

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

DATE: MAY 16, 2022

SUBJECT: WORKFORCE INNOVATION AND OPPORTUNITY ACT FISCAL AND PROCUREMENT REVIEW
MONITORING REPORT FOR PROGRAM YEAR 2021-22

Our office recently completed the monitoring review of the Workforce Innovation and Opportunity Act funded contract with Eckerd Youth Alternatives, Inc. for the 2021-22 program year. The review did not result in any findings or recommendations.

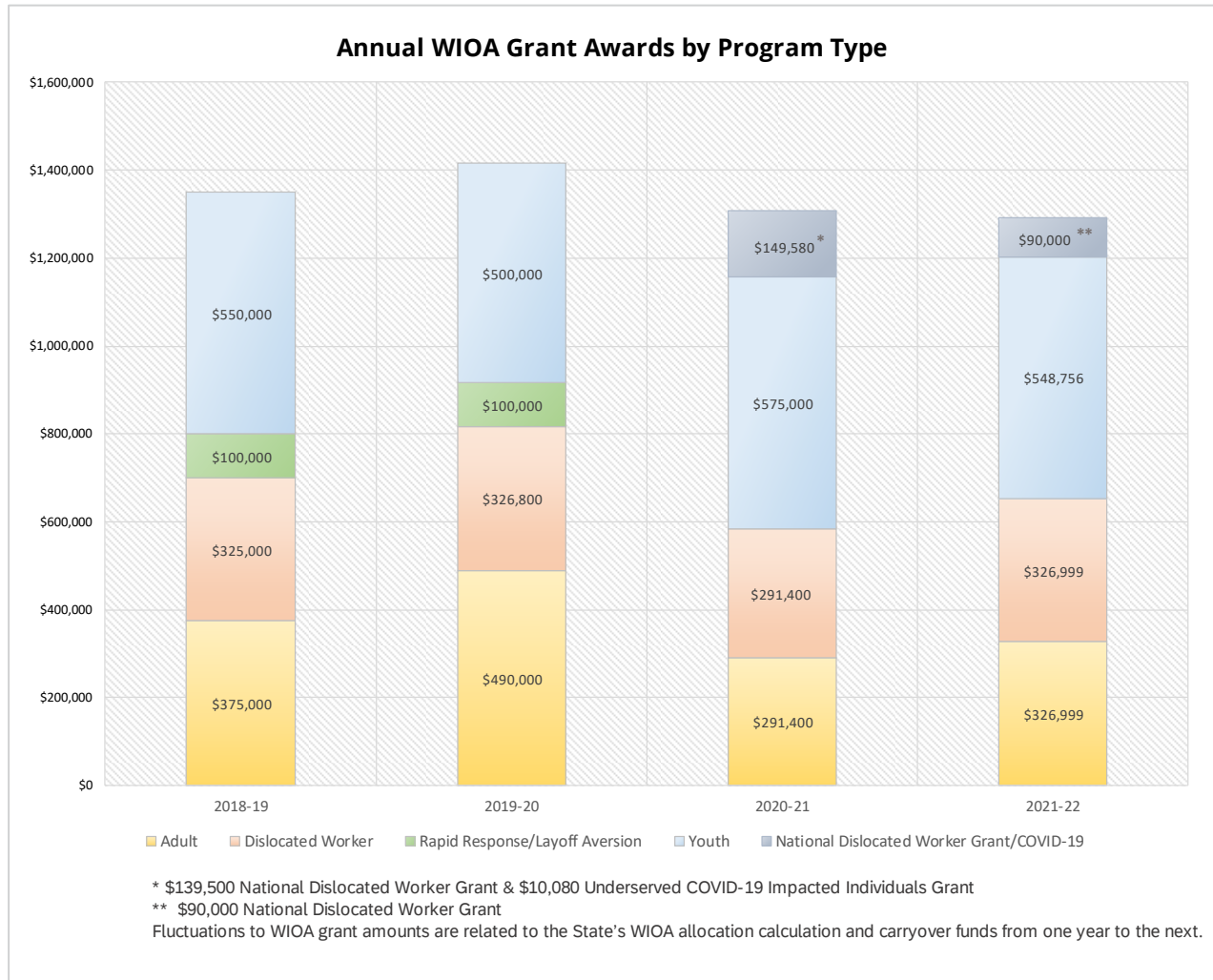
BACKGROUND

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 needed to compete in a global economy. For Program Year 2021-2022, contracts totaling \$1,292,754 were awarded to Eckerd Youth Alternatives, Inc. (Eckerd) to provide youth and adult job services in the County.

Eckerd was awarded \$743,998 for Adult and Dislocated Worker programs. This includes \$326,999 to each Adult and Dislocated Worker program and an additional \$90,000 award from the WIOA National Dislocated Worker Grant which was made available as a result of the COVID-19 public health emergency. The additional \$90,000 is to address layoffs resulting from COVID-19 and the associated stay at home orders. 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. Job-seeker services include outreach, intake/eligibility, orientation, education/training, and other supportive services.

Eckerd was awarded \$548,756 for Youth services. These services are provided to transitional age youth 16-24 years old either directly by Eckerd or through partnerships with other youth-serving agencies. Services include tutoring, study skills training, instruction leading to completion of secondary school, alternative school services, mentoring, paid and unpaid work experience, occupational skills training and support services (i.e., clothing assistance and transportation).

The following graph shows the WIOA grants awarded to Eckerd over the last four program years.



AUDIT OBJECTIVES

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.

AUDIT 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 the following areas: internal controls including fiscal policies and procedures, allowable costs, and accurate and complete fiscal reporting.

Our procedures related to procurement examined 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 through review of supporting documentation for samples of reimbursement claims, expenditures and procurements occurring in the 2021-22 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 REVIEW RESULTS

We determined that Eckerd is meeting the overall applicable WIOA requirements for financial management in program year 2021-22 and appropriately invoiced the Department for program costs.

PROCUREMENT REVIEW RESULTS

We determined Eckerd did not make any purchases that meet WIOA procurement requirements.

We would like to thank your staff and Eckerd for the cooperation and assistance we received during our review.

Sincerely,

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

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

Cc: Lauren Lewis, Eckerd's Senior Director, Finance WFD
Christina Kuhn, Eckerd's Senior Operations Director
Dawn Boulanger, Department of Social Services Workforce Development Board Director
Michelle Infantino, Department of Social Services Department Administrator