



COUNTY OF SAN LUIS OBISPO

Office of the Auditor-Controller

1055 Monterey Street, Room D220
San Luis Obispo, California 93408
Phone (805) 781-5040 · Fax (805) 781-1220
www.slocounty.ca.gov/ac

James P. Erb, CPA, CICA
Auditor-Controller

James Hamilton, CPA *Assistant*
Lydia Corr, CPA *Deputy*
Tamara Kaizuka, CPA *Deputy*

April 11, 2013

Michael J. Paul, President and CEO
Goodwill Industries of Santa Cruz, Monterey and SLO Counties
Workforce Investment Act Services
350 Encinal St.
Santa Cruz, CA 95060

RE: WORKFORCE INVESTMENT ACT
FISCAL AND PROCUREMENT REVIEW
FINAL MONITORING REPORT
PROGRAM YEAR 2012-2013

Dear Mr. Paul:

This report is to inform you of the results of our review for Program Year 2012-2013 of the Goodwill Industries of Santa Cruz, Monterey and San Luis Obispo Counties Workforce Investment Act Services (Goodwill Industries) grant financial management and procurement systems. For the fiscal portion of this review, we focused on the following areas: fiscal policies and procedures, accounting system, reporting, program income, expenditures, internal controls, allowable costs, cash management, cost allocation, indirect costs, fiscal monitoring, single audit and audit resolution policies and procedures, and written internal management procedures. For the procurement portion of the review, we examined procurement policies and procedures, methods of procurement, procurement competition and selection of service providers, 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 the level of compliance by Goodwill Industries with applicable federal and state laws, regulations, policies, and directives related to the Workforce Investment Act (WIA) grant regarding financial management and procurement for Program Year 2012-2013.

We collected the information for this report through interviews with representatives of Goodwill Industries, a review of applicable policies and procedures, and a review of documentation retained by Goodwill Industries for a sample of reimbursement claims, expenditures and procurements for Program Year 2012-2013.

BACKGROUND

Goodwill Industries was awarded WIA Adult, Dislocated Worker, Rapid Response, and Youth Services funds from the County of San Luis Obispo in the amount of \$1,980,668 to provide

One-Stop system publicity and promotion activities; outreach and recruitment services; and One-Stop career centers facility management and maintenance for FY 2012-2013.

FISCAL REVIEW RESULTS

We determined that, overall, Goodwill Industries is meeting applicable WIA requirements concerning the financial management and procurement systems of this grant for Program Year 2012-2013.

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

We would like to thank Goodwill Industries of Santa Cruz, Monterey and San Luis Obispo Counties and your 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 Matt Purkiss, Auditor-Analyst at (805) 781-5099 or Kerry Bailey, Chief Internal Auditor at (805) 788-2979.

Sincerely,



James P. Erb, CPA, CICA
Auditor-Controller

Cc: Reva Bear, Department of Social Services Program Manager
Gladys Kintz, Department of Social Services Fiscal Manager
John T. Collins, II, MPH Senior Vice President
Bill Barker, Finance Manager, Shoreline Workforce Development Services