



COUNTY OF SAN LUIS OBISPO

AUDITOR • CONTROLLER • TREASURER • TAX COLLECTOR

Workforce Innovation and Opportunity Act Fiscal and Procurement Review Final Monitoring Report Program Year 2015-16

May 2016

**JAMES P. ERB, CPA
Auditor-Controller
Treasurer-Tax Collector-Public Administrator**



COUNTY OF SAN LUIS OBISPO

AUDITOR • CONTROLLER • TREASURER • TAX COLLECTOR

1055 MONTEREY ST. RM. D290
SAN LUIS OBISPO, CA 93408
(805) 781-5831 • FAX (805) 781-5362
<http://sloacttc.com>

JAMES P. ERB, CPA

Auditor-Controller
Treasurer-Tax Collector

James W. Hamilton, CPA
Assistant

May 16, 2016

Edward Durkee, President and CEO
Goodwill Central Coast, America's Job Center
Workforce Innovation and Opportunity Act
350 Encinal St.
Santa Cruz, CA 95060

Dear Mr. Durkee:

This report is to inform you of the results of our Workforce Innovation and Opportunity Act (WIOA) program year 2015-16 review of the one-stop services' financial management and procurement systems. For the financial management portion of this review, we focused on the following areas: internal controls including fiscal policies and procedures, allowable costs, cash management, cost allocation, single audit, and fiscal reporting. For the procurement portion of the review, we examined internal controls including procurement policies and procedures, methods of procurement, 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 Goodwill Central Coast'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.

We collected the information for this report through interviews with representatives of Goodwill Central Coast, a review of applicable policies and procedures, and a review of documentation supporting samples of reimbursement claims, expenditures and procurements for program year 2015-16.

BACKGROUND

Goodwill Central Coast was awarded WIOA funds from the County of San Luis Obispo in the amount of \$776,638 to provide American's Job Center of California one-stop adult, dislocated worker, and rapid response services for program year 2015-16.

FISCAL REVIEW RESULTS

We determined overall, Goodwill Central Coast is meeting applicable WIOA requirements concerning financial management for program year 2015-16.

PROCUREMENT REVIEW RESULTS

We determined overall, Goodwill Central Coast is meeting applicable WIOA requirements concerning the procurement systems for program year 2015-16. During our review we made one suggested improvement for an issue which did not rise to the level of non-compliance: we found a piece of WIOA-related equipment that was not recorded on the inventory log. The Uniform Administrative Requirements require property records to be kept in order to help prevent equipment from being misplaced, misappropriated and misused. We recommend, and Goodwill Central Coast has agreed to, an update of the inventory log to include all WIOA-related equipment.

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 Goodwill Central Coast's responsibility to ensure that its systems, programs, and related activities comply with the WIOA grant program, Federal and State regulations, and applicable directives. Therefore, any deficiencies identified in subsequent review, such as an audit, remain Goodwill Central Coast's responsibility.

We would like to thank Goodwill Central Coast and particularly the fiscal and one-stop 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 Suzanne De Witt at (805) 781-4846 or Kerry Bailey, Chief Internal Auditor at (805) 788-2979.

Sincerely,



James P. Erb, CPA, CICA
Auditor-Controller

Cc: Nick Andrews, Director of Finance
Kathleen Marcove, Vice President of Workforce and Organizational Development
Derek Scranton, Senior Accountant, Goodwill Central Coast
Gladys Kintz, Department of Social Services Fiscal Manager
Tammy Aguilera, Department of Social Services Manager
Dawn Boulanger, Department of Social Services Program Manager