

**SAN BERNARDINO COUNTY
AUDITOR-CONTROLLER/TREASURER/TAX COLLECTOR
INTERNAL AUDITS DIVISION**



**WORKFORCE DEVELOPMENT DEPARTMENT:
WORKFORCE INNOVATION AND OPPORTUNITY ACT
YOUTH PROGRAM AUDIT**

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Workforce Development Department: Workforce Innovation and Opportunity Act Youth Program Audit

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San Bernardino County



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June 5, 2023

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Workforce Development Department
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RE: Workforce Innovation and Opportunity Act Youth Program Audit

We have completed an audit of the Workforce Development Department's (Department) Workforce Innovation and Opportunity Act (WIOA) Youth Program for the period of July 1, 2020, through June 30, 2021. The primary objectives of the audit were to determine if the Department followed the WIOA Youth Program requirements and to make recommendations for improvement. We conducted our audit in accordance with the International Standards for the Professional Practice of Internal Auditing established by the Institute of Internal Auditors.

We identified a practice that could be improved. We have listed this area for improvement in the Audit Finding and Recommendation section of this report.

We sent a draft report to the Department on May 18, 2023. The Department's response to our recommendation is included in this report.

We would like to express our appreciation to the personnel at the Department who assisted and cooperated with us during this engagement.

Respectfully submitted,

Ensen Mason CPA
Auditor-Controller/Treasurer/Tax Collector
San Bernardino County

By: 

Denise Mejico, CFE
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Summary of Audit Results

Our finding and recommendation are provided to assist management in strengthening controls and procedures relating to the WIOA Youth Program.

The table below summarizes the audit finding and recommendation for this audit engagement. For further discussion, refer to the *Audit Finding and Recommendation* section of this report.

Finding and Recommendation	Page No.
WIOA Youth Program funds were used for an expenditure that was not related to the WIOA Youth Program.	6
We recommend that the Workforce Development Department regularly monitor expenditures recorded to the general ledger to ensure the transactions are accurate and charged to the correct programs.	

Background

Workforce Development Department

The San Bernardino County (County) Workforce Development Department (Department) operates programs under the guidance of the Workforce Development Board, funded by the Department of Labor's Workforce Innovation and Opportunity Act (WIOA). The Department implements comprehensive strategies to meet the needs of local businesses for a skilled workforce, while creating opportunities for workers to prepare for and enter well-paid careers.

WIOA Youth Program

The Workforce Innovation and Opportunity Act (WIOA), signed into law in 2014, provides a federally funded grant designed to strengthen and improve our nation's public workforce system. The law focuses on helping Americans, including youth and those with significant barriers to employment, into high quality jobs and careers. This helps employers be able to hire and retain skilled workers. WIOA, which took effect July 1, 2015, supersedes the Workforce Investment Act (WIA) of 1998.

The intent of the WIOA Youth Program is to provide a systematic approach for offering youth a broad range of coordinated services. The WIOA Youth Program places a priority on providing youth with occupational learning opportunities through work experience. Eligible youth, ages 16 to 24, can access a variety of career and educational services through WIOA-funded programs. These services are designed to help enhance job skills, develop leadership qualities, explore career options, participate in adult and peer mentoring opportunities, and take advantage of work experiences.



Scope and Objectives

Our audit examined the Department's WIOA Youth Program for the period of July 1, 2020, through June 30, 2021.

The objectives of our audit were to determine if the Department followed the WIOA Youth Program requirements and make recommendations for improvement.

Methodology

In achieving the audit objective, the following audit procedures were performed, including but not limited to:

- Interviews of Department staff
- Walk-through of WIOA Youth Program processes for compliance
- Test of compliance with eligibility requirements for a sample of WIOA Youth Program participants
- Test of compliance with allowability requirements for a sample of WIOA Youth Program expenditures
- Verification of compliance with WIOA Youth Program earmarking requirements

Finding: WIOA Youth Program funds were used for an expenditure that was not related to the WIOA Youth Program.

The Internal Controls and Cash Manual (ICCM) Chapter 2-3 "Recording" states all transactions and pertinent events should be accurately and properly recorded on documents and records. Additionally, ICCM Chapter 2-2 "Benefits of Internal Control" states that a benefit of a strong internal control structure is stronger accountability for grant funds, thus ensuring continued funding by State and Federal agencies.

We identified 1 expenditure in the amount of \$400, out of 40 expenditures tested, that was not related to the Youth Program and is not allowable under Youth Program expenditures. The expenditure was recorded to Cost Center 352 - Youth Program in the general ledger but should have been recorded to Cost Center 628 - Business Services.

When effective controls over recording transactions are not present, there is an increased risk of program funds not being used for allowable or intended purposes.

Recommendation:

We recommend that the Workforce Development Department regularly monitor expenditures recorded to the general ledger to ensure the transactions are accurate and charged to the correct programs.

Management's Response:

The Workforce Development Department has made the correction to the transaction that was incorrectly coded to the youth program. We have implemented a reconciliation process to ensure no additional errors occur.

Auditor's Response:

The Department's actions will correct the deficiencies identified in the finding.