

Sonoma County

Auditor-Controller-Treasurer-Tax Collector

Internal Audit Report

**Fiscal Monitoring:
County of Sonoma Human Services Department
Youth Education & Employment Services
Sonoma County Youth Ecology Corps**

For the Period: July 1, 2016 - June 30, 2017

Engagement No: 3240
Report Date: June 20, 2017



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Executive Summary, Introduction and Background

Executive Summary

The County of Sonoma Human Services Department awarded grants totaling \$2.1M to five community based organizations (CBOs) to provide youth education and employment services.

At the request of the Human Services Department, the Internal Audit Division of the County of Sonoma Auditor - Controller - Treasurer - Tax Collector's Office performed certain monitoring procedures for the month of August 2016.

For three of the five CBOs, there were minor amounts not supported by the respective CBO's payroll records. Those amounts were \$20 in net claimed staff benefits for Center for Social and Environmental Stewardship (CSES), \$44 in claimed youth wages and benefits for Social Advocates for Youth (SAY), and \$12 in net claimed staff wages and staff benefits for West County Community Services (WCCS.)

We noted no other exceptions.

Introduction

We have completed the monitoring procedures requested by the County of Sonoma Human Services Department (HSD) relating to claims for the Youth Education & Employment Services and Sonoma County Youth Ecology Corps (SCYEC) programs from federal Workforce Innovation and Opportunity Act (WIOA) and Temporary Assistance for Needy Families (TANF) funds for the month of August 2016.

Background

For many years the HSD has provided Federal Workforce Investment Act (WIA) funding to CBOs to assist youth, aged 14-21 years of age, with education and employment skills. WIA was replaced by WIOA effective July 1, 2015. In recent years and for this current year, additional county funding including funding from the Sonoma County Water Agency and Services to Transitional Aged Youth was also provided.

The services being provided to individuals include, but are not limited to, the following:

- Youth Education and Employment Services
 - Outreach and recruitment to attract interested and eligible youth
 - In-depth objective assessment
 - Development of an individual service strategy
 - Case management
 - Tutoring
 - Study skills and instruction
 - Alternative secondary school services
 - Summer employment opportunities
 - Paid and unpaid work experience
 - Occupation skills training
 - Leadership development opportunities
 - Adult mentoring
 - Comprehensive guidance counseling

Background

- Sonoma County Youth Ecology Corps
 - Outreach and recruitment to attract interested and eligible youth
 - Ecology-based work experience opportunities
 - Environmental education
 - Development of post-secondary and career opportunities
 - Soft skill development

The five CBOs that were awarded WIOA, TANF, and other county funding during the contract period were CSES, Conservation Corps North Bay (CCNB), Petaluma People Services Center (PPSC), SAY and WCCS. Reimbursement requests from each CBO were based on amounts incurred for:

- Staff Wages and Benefits
- Rent/Lease of Facility
- Utilities/Building Maintenance
- Telephone/Communications
- Insurance
- Equipment Rental/Lease/Maintenance
- Office Supplies/Expenses
- Books/Education Materials
- Staff Mileage/Travel
- Staff Training/Conferences
- SCYEC expenses:
 - Staff Support (not case management)
 - Tools/Equipment
 - Transportation Costs
 - Crew Leader Wages and Benefits
 - Youth Wages and Benefits
- Miscellaneous Other
- Subcontractors and Services
- Indirect Costs

HSD is responsible for performing ongoing monitoring of the funds awarded to the CBOs. To assist in fulfilling that responsibility, HSD engaged the Internal Audit Division of the Sonoma County Auditor-Controller-Treasurer-Tax Collector's Office to perform certain monitoring procedures on the claims submitted to HSD for the month of August 2016.

Objective, Scope and Methodology

Objective

The primary objective of the monitoring procedures performed was to determine if the claims submitted for the month of August 2016 were properly supported and agreed with the CBOs' books.

Scope

The monitoring was for the period July 1, 2016 to June 30, 2017. As directed by HSD, we conducted revenue and expenditure testing on the selected month's reimbursement claims submitted by each CBO. The scope of our work included the following:

- A review and evaluation of internal controls, as described by the management of the five CBOs, designed to ensure compliance with the above requirements.
- Tests of transactions reported in the claims.
- Follow up to determine the status of previous audit report findings and recommendations.

Methodology

We performed the following procedures:

1. Obtained copies of the HSD award agreements and any amendments with the CBOs to verify the existence and amount of funding available and to be disbursed.
2. Primarily through inquiry, reviewed and evaluated the CBOs' system of internal controls over record keeping and claim preparation.
3. Verified that the funds disbursed by HSD were received, posted to the CBOs' books and deposited to their bank accounts.
4. Traced the personnel costs and selected operating expenditures claimed to appropriate supporting documents and to the books of the respective CBOs.
5. Ensured that expenditures were recorded in the correct period of the CBOs' general ledgers.
6. Reviewed the overhead allocation methodology where applicable.

Results, Conclusions, Staff Acknowledgement

Results

Except as discussed below, the claims for the month of August 2016 were supported by approved invoices, time sheets and entries in the CBOs' books.

For three of the five CBOs, there were minor amounts not supported by the respective CBO's payroll records. Those amounts were \$20 in net claimed staff benefits for CSES, \$44 in claimed youth wages and benefits for SAY, and \$12 in net claimed staff wages and staff benefits for WCCS.

Conclusions

For the period covered by our review, the selected CBO's claims, other than for the exceptions noted above, were properly supported and agreed with their books.

Staff Acknowledgement

We would like to thank the management and accounting staff of the five CBOs monitored, as well as the accounting staff of HSD for their time, information, and cooperation throughout the engagement.

Appendix A

**County of Sonoma Human Services Department
 Youth Education & Employment Services
 Fiscal Monitoring
 Schedule of Funds Awarded and Selected Month Claimed, Audited, and Questioned
 For the Period July 1, 2016 - June 30, 2017**

<u>Contract</u>	<u>CBO</u>	<u>Funds Awarded</u>	<u>August 2016 Claimed</u>	<u>August 2016 Audited</u>	<u>August 2016 Questioned</u>
ET-CSES-YEES-1617	The Center for Social and Environmental Stewardship	\$ 378,152	\$ 26,403	\$ 26,383	\$ 20
ET-CCNB-YEES-1617	Conservation Corps North Bay	334,945	19,165	19,165	-
ET-PPSC-YEES-1617	Petaluma People Services Center	196,565	17,191	17,191	-
ET-SAY-YEES-1617	Individuals, Now, aka Social Advocates for Youth	1,013,426	75,520	75,476	44
<u>ET-CFSA-YEES-1617</u>	<u>West County Community Services</u>	<u>189,692</u>	<u>21,814</u>	<u>21,802</u>	<u>12</u>
Total		<u>\$ 2,112,780</u>	<u>\$ 160,093</u>	<u>\$ 160,017</u>	<u>\$ 76</u>