

Internal Audit

S o n o m a C o u n t y

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

For the Period Ended
June 30, 2015

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

At the request of the Human Services Department, we performed certain monitoring procedures for the month of October, 2014.

Wages claimed for the selected month by Social Advocates for Youth were overstated by \$712.

We noted no other exceptions.

Audit No: 3240
Report Date May 21, 2015



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Youth Education & Employment Services
Fiscal Monitoring**

For the Fiscal Year Ended
June 30, 2015

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Introduction and Background

Introduction

We have completed the monitoring procedures requested by the County of Sonoma Human Services Department (HSD) relating to claims for Youth Education & Employment Services Workforce Investment Act (WIA) Funds for the month of October, 2014.

The primary objective of the monitoring procedures performed was to determine if the claims submitted for the selected month were properly supported and agreed with the community based organizations' (CBOs) books.

We would like to thank management and staff for their time, information, and cooperation throughout the engagement.

Background

For many years the County of Sonoma Human Services Department has provided WIA funding to CBOs to assist youth, aged 14-21 years of age, with education and employment skills. In recent years and for this current year, additional funding from Temporary Assistance for Needy Families and the Sonoma County Water Agency (Water Agency) 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 eligible in-school and out-of-school 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.

Introduction and Background

The two (2) CBOs that were awarded WIA, Temporary Assistance for Needy Families, and Water Agency funding during the contract period were Social Advocates for Youth (SAY) and Conservation Corps North Bay. 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
- Staff Mileage/Travel
- Staff Training/Conferences
- Sonoma County Youth Ecology Corp expenses:
 - 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 CBOs awarded the funds. To assist in fulfilling that responsibility, HSD engaged Internal Audit to perform certain monitoring procedures on the claims submitted for the month of October, 2014.

Objective and Scope

Objective

The primary objective of the monitoring procedures performed was to determine if the claims submitted for the month of October, 2014 were properly supported and agreed with the CBOs' books.

Scope

The monitoring was for the period July 1, 2014 to June 30, 2015. 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 two 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.

Procedures and Results

Procedures

We performed the following procedures:

1. Obtained a copy of the HSD award agreement 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 the accuracy of 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 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

Except as discussed below, the claims for the month of October were supported by approved invoices, timecards and entries in the CBOs books.

In reviewing the supporting documents provided by SAY, it was noted that \$712 in wages claimed were not supported by signed time sheets. Upon investigation, it was found that an employee of SAY had been overpaid by that amount.

Recommendation:

HSD should require all CBOs receiving funds to ensure that all wages claimed are supported by approved time cards before filing the claim with the County.

Appendix A

**County of Sonoma Human Services Department
Youth Education & Employment Services
Fiscal Monitoring
Schedule of Funds Awarded and Selected Month Amount Claimed
For the Period July 1, 2014 - June 30, 2015**

<u>Contract</u>	<u>CBO</u>	<u>Funds Awarded</u>	<u>October 2014 Claimed</u>
ET-SAY-YEES-1415	Social Advocates for Youth	\$ 1,472,252	\$ 70,736
ET-CCNB-YEES-1415	Conservation Corps North Bay	\$ 628,501	\$ 34,536