

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, 2015 - June 30, 2016

Engagement No: 3240
Report Date August 24, 2016



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Engagement No. 3240
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Executive Summary, Introduction and Background

Executive Summary

The County of Sonoma Human Services Department awarded grants totaling \$2.0M 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 September 2015.

Wages claimed for the selected month by Conservation Corps North Bay were overstated by \$79.

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 September 2015.

Background

For many years the HSD has provided 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 two (2) CBOs that were awarded WIOA, TANF, and other county funding during the contract period were Social Advocates for Youth (SAY) and Conservation Corps North Bay (CCNB). 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:
 - 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 September 2015.

Objective, Scope and Methodology

Objective

The primary objective of the monitoring procedures performed was to determine if the claims submitted for the month of September 2015 were properly supported and agreed with the CBOs' books.

Scope

The monitoring was for the period July 1, 2015 to June 30, 2016. 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.

Methodology

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 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, Conclusions, Staff Acknowledgement

Results

Except as discussed below, the claims for the month of September 2015 were supported by approved invoices, time sheets and entries in the CBOs' books.

In reviewing the supporting documents provided by CCNB, it was noted that \$79 in wages claimed were not supported by signed time sheets.

Conclusions

For the period covered by our review, the selected CBO's claims, with the exception of \$79 in salaries, were properly supported and agreed with their books.

Staff Acknowledgement

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

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, 2015 - June 30, 2016

Contract	CBO	Funds Awarded	September 2015 Claimed	September 2015 Audited	September 2015 Questioned
ET-SAY-YEES-1516	Social Advocates for Youth	\$ 1,369,236	\$ 103,725	\$ 103,725	\$ -
ET-CCNB-YEES-1516	Conservation Corps North Bay	643,000	53,488	53,409	79
Total		\$ <u>2,012,236</u>	\$ <u>157,213</u>	\$ <u>157,134</u>	\$ <u>79</u>