

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, 2017 - June 30, 2018

Engagement No: 3240
Report Date: August 24, 2018



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Auditor-Controller-Treasurer-Tax Collector Web Site
<http://sonomacounty.ca.gov/Auditor-Controller-Treasurer-Tax-Collector/>

Background

Fiscal Monitoring

County of Sonoma Human Services Department

Youth Education & Employment Services and Sonoma County Youth Ecology Corps

Engagement No. 3240

For the Period July 1, 2017 to June 30, 2018

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Executive Summary

Executive Summary

The County of Sonoma Human Services Department awarded grants totaling \$1.8M 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 (ACTTC) performed certain monitoring procedures for the months of August and November of 2017 for all of the five CBO's that received funds during fiscal year 2017/18.

The Center for Social and Environmental Stewardship was not able to provide adequate support for \$743 in payroll costs it claimed from the County and has refunded the amount to the Human Services Department.

We noted no other material exceptions.

Introduction and Background

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 months of August and November 2017.

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.
- 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.

Background

The five CBOs that were awarded WIOA, TANF, and other county funding during the contract period were The Center for Social & Environmental Stewardship (CSES), Conservation Corps North Bay (CCNB), Petaluma People Services Center (PPSC), Social Advocates for Youth (SAY) and West County Community Services (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 mgmt)
 - Tools/Equipment
 - Transportation Costs
 - Crew Leader Wages and Benefits
 - Youth Wages and Benefits
- Miscellaneous Other
- Indirect Costs

HSD is responsible for performing ongoing monitoring of the CBOs awarded the funds. To assist in fulfilling that responsibility, HSD engaged the ACTTC to perform certain monitoring procedures on the claims submitted to HSD for the months of August and November 2017.

Objective, Scope and Methodology

Objective

The primary objective of this monitoring engagement was to determine if the CBO's are meeting financial record keeping requirements of OMB Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards with a special emphasis on salaries and wages.

Scope

The monitoring was for the period July 1, 2017 to June 30, 2018. As directed by HSD, we conducted revenue and expenditure testing on August 2017 and November 2017 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 months of August and November 2017 were supported by approved invoices, time sheets and entries in the CBOs' books.

For one of the five CBOs, there was a payroll amount not supported by the respective CBO's payroll records. That over claimed amount was \$743, and has been refunded to Human Services by The Center for Social and Environmental Stewardship.

Conclusions

For the months of August and November 2017 the CBO's appear to be meeting financial record keeping requirements of OMB Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.

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, 2017 - June 30, 2018

Contract	CBO	Funds Awarded	August & November 2017 Claimed	August & November 2017 Audited	August & November 2017 Questioned
ET-CSES-YEES-1718	The Center for Social and Environmental Stewardship	\$ 139,932	\$ 34,679	\$ 31,526	\$ 743
ET-CCNB-YEES-1718	Conservation Corps North Bay	633,036	32,591	28,780	-
ET-PPSC-YEES-1718	Petaluma People Services Center	148,174	16,128	14,489	-
ET-SAY-YEES-1718	Individuals, Now, aka Social Advocates for Youth	750,100	45,710	41,083	-
ET-CFSA-YEES-1718	West County Community Services	129,025	14,633	12,914	-
Total		\$ <u>1,800,267</u>	\$ <u>143,740</u>	\$ <u>128,792</u>	\$ <u>743</u>