



DATE: May 26, 2017

TO: Lillian Plummer, Director of Workforce Development

FROM: Internal Audit Division

SUBJECT: WIOA Program Review for the Fiscal Year ended June 30, 2016
(No Response Required)

The Internal Audit Division has conducted a review of the Workforce Innovation and Opportunity Act Program (WIOA) administered by the Office of Workforce Development for fiscal year ended June 30, 2016. WIOA was signed into law by President Obama on July 22, 2014 as the replacement for the Workforce Investment Act of 1998 (WIA).

Funding for WIOA comes from the United States Department of Labor through the North Carolina Department of Commerce. Total WIA expenditures amounted to \$5,756,594.03 for the fiscal year ended June 30, 2016. Expenditures for the Youth 2014, Adult 2015 and Displaced Workers 2014 programs amount to \$3,862,173.59, which is 67% of total WIOA expenditures for the year; these three programs were selected for our review procedures.

The objectives of our review were to:

- Verify that the financial summary report is complete and accurate.
- Verify that expenditures were correctly documented and substantiated in agreement with program guidelines.
- Verify that the salary allocation is in accordance with program guidelines and that the process used to charge salaries is appropriate.
- Verify that participant files contained appropriate eligibility documents.

Financial Summary Report

We obtained the Monthly Financial Report for June 30, 2016 from Matt Jeffreys, Administrative Manager with the Office of Workforce Development. We agreed the amounts from the Monthly Financial Report to the Budget and Cost of Operation Statement from Lawson for all WIOA programs. We noted the amounts appear accurate. We also recalculated amounts on the Financial Report and found no exceptions.

Expenditures

We sampled expenditures in the Youth 2014, Adult 2015 and Displaced Workers 2014 programs. The total amount of reviewed expenditures was \$424,667.01, or 11% of total expenditures in those three programs. Specific items reviewed include the March 10, 2016 invoice from Rescare (contracted services for the Adult and Displaced Worker programs for February 2016), the March 11, 2016 invoice from Rescare (contracted services for the Youth programs), invoice 1092297-0 from Piedmont Office Suppliers, invoice 727931 from Lankford Protective Services, Inc. and invoice 3503 from Red Barn Communications.

Rescare is the contractor that provides WIOA services for the Adult, Dislocated Worker and Youth programs. The Rescare invoices contain numerous expenditures for the month for the applicable program. For these invoices, we examined the supporting documentation for the individual items as provided by Rescare. For the remaining items reviewed, we examined supporting documentation from the Office of Workforce Development. Expenditures appeared to be spent in accordance with program guidelines. All invoices matched charges in Lawson and appeared to have appropriate supporting documentation.

Salary Allocation

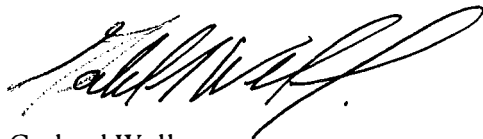
We compared the Monthly Individual Staff Costs to the Salary Allocation spreadsheet and the figures were in agreement. We noted the allocations appear reasonable. We reviewed the salary allocation methodology and it also appears reasonable and has not changed from prior years.

Participant Files

We obtained a list of participants for the Adult, Dislocated Worker and Youth programs from Matt Jeffreys, Administrative Manager in the Office of Workforce Development. We selected 70 participants (5%) from the List of Participants for the Adult, Dislocated Worker and Youth Program Lists for FY 2016, and we reviewed their files to verify the eligibility documents. 67 of the 70 participant files had the documents stored online in NCWorks. There were 3 participant files in our sample that did not have documents online in NCWorks and we reviewed the hard copy files provided by the Department.

There were 12 online participant files missing at least one document during our initial review. After our inquiries, the documents were located and posted online in the system, except for two items. One participant file in the Dislocated Worker Program failed to contain income documentation and documentation for Dislocated Worker status. The expenses for this participant were subsequently reclassified to the Adult program to correct this issue. Another participant file from the Dislocated Worker Program was missing a copy of the signed application. This issue had been noted in the prior review (the participant was selected in the sample for both the FY 15 and FY 16 reviews). Other than the two issues noted above, the files appeared to contain appropriate eligibility documents.

We would like to thank the staff of the Office of Workforce Development for their assistance and cooperation during this review. If there are any questions concerning the details of this review, please call us at 373-2230.



Garland Wells
Internal Auditor



Len Lucas
Internal Audit Director

cc: Barbara Harris, Assistant City Manager
Chris Wilson, Assistant City Manager
Matt Jeffreys, Administrative Manager