

**SAN BERNARDINO COUNTY
AUDITOR-CONTROLLER/TREASURER/TAX COLLECTOR
INTERNAL AUDITS DIVISION**



**WORKFORCE DEVELOPMENT DEPARTMENT:
WORKFORCE INNOVATION AND OPPORTUNITY ACT
YOUTH PROGRAM FOLLOW-UP AUDIT**

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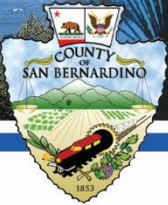
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**Workforce Development Department:
Workforce Innovation and Opportunity Act Youth Program
Follow-Up Audit**

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December 16, 2024

Bradley Gates, Director
Workforce Development Department
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RE: Workforce Innovation and Opportunity Act Youth Program Follow-Up Audit


We have completed a follow-up audit of the Workforce Development Department’s (Department) Workforce Innovation and Opportunity Act (WIOA) Youth Program for the period of January 1, 2024, through September 4, 2024. The objective of the audit was to determine if the recommendation for the finding in the WIOA Youth Program Audit report dated June 5, 2023, has been implemented. We conducted our audit in accordance with the International Standards for the Professional Practice of Internal Auditing established by the Institute of Internal Auditors.

We have provided a status of the audit finding identified in the original audit report issued on June 5, 2023. The Department has implemented the recommendation from the original audit report.

We would like to express our appreciation to the personnel at the Department who assisted and cooperated with us during this engagement.

Respectfully submitted,

Ensen Mason CPA, CFA
Auditor-Controller/Treasurer/Tax Collector
San Bernardino County

By: 

Denise Mejico, CFE
Chief Deputy Auditor

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Date Report Distributed: 12/16/2024

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Scope and Objective

Our audit examined the Department's WIOA Youth Program expenditures and monthly reconciliations for the audit period of January 1, 2024, through September 4, 2024.

The objective of this follow-up audit was to determine whether the Department implemented the recommendation contained in the prior audit report, *Workforce Development Department: Workforce Innovation and Opportunity Act Youth Program Audit*, issued on June 5, 2023.

Methodology

In achieving the audit objective, the following audit procedures were performed, including but not limited to:

- Interviews with Department staff
- Walk-through of WIOA Youth Program expenditure processes
- Reviews of WIOA Youth Program policies and procedures
- Review of last audit
- Examination and sampling of WIOA Youth Program expenditures and reconciliations



Prior Finding: WIOA Youth Program funds were used for an expenditure that was not related to the WIOA Youth Program.

The Internal Controls and Cash Manual (ICCM) Chapter 2-3 “Recording” states all transactions and pertinent events should be accurately and properly recorded on documents and records. Additionally, ICCM Chapter 2-2 “Benefits of Internal Control” states that a benefit of a strong internal control structure is stronger accountability for grant funds, thus ensuring continued funding by State and Federal agencies.

We identified 1 expenditure in the amount of \$400, out of 40 expenditures tested, that was not related to the Youth Program and is not allowable under Youth Program expenditures. The expenditure was recorded to Cost Center 352 - Youth Program in the general ledger but should have been recorded to Cost Center 628 - Business Services.

When effective controls over recording transactions are not present, there is an increased risk of program funds not being used for allowable or intended purposes.

Recommendation:

We recommend that the Workforce Development Department regularly monitor expenditures recorded to the general ledger to ensure the transactions are accurate and charged to the correct programs.

Current Status: Implemented

The Department implemented a grant reconciliation process to ensure that WIOA Youth Program funds are used only for expenditures related to the program. We tested four expenditures and found that they were appropriately charged to the correct program.