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November 21, 2018

OFFICE OF THE MAYOR
HONORABLE CITY COUNCILMEMBERS
CITY ADMINISTRATOR
CITY ATTORNEY
WORKFORCE DEVELOPMENT BOARD MEMBERS
RESIDENTS OF OAKLAND
OAKLAND, CALIFORNIA

RE: Audit of the Oakland Workforce Development

Dear Mayor Schaaf, City Council President Reid, Members of City Council, City Administrator Landreth, City Attorney Parker, Workforce Development Board Chairperson Garrett, and Oakland residents:

The Oakland Workforce Development Board (WDB) oversees federally funded employment and training services in Oakland. These programs and services help job seekers gain employment and connect businesses with a qualified workforce. The City of Oakland oversees funding and conducts monitoring of its subcontractors who provide job search and job training services.

Our audit reviewed fiscal years 2008-09 through 2017-18. The audit objectives were to determine that (1) administrative fees charged by Workforce Development were appropriate and compliant with federal requirements; (2) appropriate monitoring and oversight was applied to grantees awarded with Service Provider contracts and; (3) prompt action was taken to resolve issues raised by the monitoring teams.

Our audit found that City staff were unable to confirm that cost calculations for administrative fees met federal requirements nor were grantee findings addressed timely or completely. Further, Single Audit findings were not escalated to Workforce Development management. Single Audit findings may be an indication of financial instability that would affect the success of the program. Inactive participants (individuals no longer receiving access services) were not removed from active lists and 'cash-hold' directives were not followed. City staff could not confirm that state and federal findings were resolved.

Audit recommendations include:

1. Implement and document detailed quality reviews over administrative fee calculations, confirm program findings are resolved and escalated to management, and monitor Single Audit findings;
2. Document clear procedures for administrative fee calculations; describe steps to be taken in the event of a non-compliant grantee, including when to place 'cash-holds'; establish action plans for unresponsive grantees; and issuance of timely reports;
3. Develop training for Single Audit findings and proper escalation; and
4. Address state findings timely and completely.

I want to express our appreciation to the Workforce Development management, and their staff, the Director of Finance, the Controller, and Finance staff, for their cooperation during this audit and their commitment to improving the practices in their respective departments.

Respectfully submitted,



BRENDA D. ROBERTS
City Auditor

Enclosure

cc: Mark Sawicki, Director of Economic and Workforce Development
Stephen Baiter, Executive Director, Workforce Development Board
Katano Kasaine, Director of Finance
Kirsten LaCasse, Controller
Doryanna Moreno, Chief Assistant City Attorney
Herbert Garrett, Workforce Development Board Chairperson



PERFORMANCE AUDIT



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Performance Auditor

Oakland Workforce Development Audit

FY 2008-09 through FY 2017-18

November 21, 2018

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Executive Summary

Performance Audit Oakland Workforce Development FY 2008-09 through FY 2017-18

OVERVIEW

The Oakland Workforce Development Board (WDB or the Board), oversees federally-funded employment and training programs and the delivery of these services to Oakland residents and businesses through six contracted Service Providers. These programs and services help struggling job seekers succeed in the labor market by providing access to employment, education, and training, as well as matching businesses with skilled workers.

Two of the Board’s core responsibilities are: (1) awarding and allocating federal Workforce Innovation and Opportunity Act (WIOA) funds to contracted Service Providers and (2) conducting regular monitoring of the contracted Service Providers.

SCOPE AND OBJECTIVES

The audit covers fiscal years (FY) 2008-09 through 2017-18. The audit objectives were to determine:

- (1) Administrative fees charged by WDB were appropriate and compliant with federal requirements;
- (2) Appropriate monitoring and oversight was applied to grantees awarded with Service Provider contracts and;
- (3) Prompt action was taken to resolve issues raised by the monitoring teams.

WHY THIS AUDIT MATTERS

The Oakland Workforce Development Board oversees and manages the funding and delivery of key services to help Oakland job seekers access employment, education, and training. The Board currently receives over \$3 million each year in WIOA funding to serve more than 650 clients. City staff support the Board and perform monitoring of contracted Service Provider agencies.

Our recommendations are intended to ensure administrative costs are within federal guidelines, there is appropriate monitoring of grantees awarded with Service Provider contracts to confirm contract compliance; and prompt actions are taken to resolve monitoring issues.

Executive Summary

AUDIT FINDINGS

1. City staff cannot confirm administrative cost calculations met federal requirements each year.
2. Inactive participants were not removed from the active lists for federal reporting.
3. Procedures for cash holds and restrictions to pay-outs are not followed, contrary to directives of State regulators.
4. City staff did not escalate Single Audit findings to the attention of WDB Management.
5. Grantee findings are not addressed timely or completely.
6. State and federal findings on the WDB are not tracked and cannot be confirmed as resolved.

RECOMMENDATIONS

1. Implement and document detailed quality reviews over administrative fee calculations, confirm program findings are resolved and escalated to management, and monitor Single Audit findings;
2. Document clear procedures for administrative fee calculations, describe steps to be taken in the event of a non-compliant grantee, including when to place 'cash-holds', how to monitor open Single Audit findings; and establish action plans for unresponsive grantees, and issuance of timely reports;
3. Develop training for Single Audit findings and proper escalation; and
4. Address state findings timely and completely.

Glossary of Terms

DOL (United States Department of Labor) – DOL’s mission is to foster, promote, and develop the welfare of the wage earners, job seekers, and retirees of the United States; improve working conditions; advance opportunities for profitable employment; and assure work-related benefits and rights. The department administers a variety of Federal labor laws including the Workforce Innovation and Opportunity Act (WIOA).

URL: <https://www.dol.gov/>

EDD (California Employment Development Department) – is one of the State’s largest departments, offering services to millions of Californians under the Job Service, Unemployment Insurance, State Disability Insurance, Workforce Investment, and Labor Market Information programs. As California’s largest tax collection agency, EDD also handles the audit and collection of payroll taxes and maintains employment records for more than 18 million California workers. URL: <https://www.edd.ca.gov/>

State/Federal Finding – Instance of non-compliance with federal, state, or local laws, including WIOA.

Audit Finding - Audit findings identify issues management needs to address. Audit findings include instances of non-compliance with laws, regulations, or department procedures, deficiencies in internal control or instances of fraud. They assist management and oversight officials of the audited entity in understanding the need for taking corrective action.

Fiscal Monitoring – ensures that Service Providers spend funds per federal guidelines. Monitoring procedures include questionnaires, onsite reviews, interviews of participants, and review of documentation including contracts and files. Monitoring covers issues such as: expenditures vs budget, eligibility of expenses, cash management system, compliance of insurance coverage, internal controls to prevent errors and misuse of funds, and cost analyses of procurements.

Fiscal Monitoring Report – A report written by City fiscal staff after conducting fiscal monitoring of a contracted Service Provider. The report contains monitoring results, including any findings that must be resolved by the Service Provider.

Grant – an award of federal WIOA funds by the Oakland Workforce Development Board to an eligible WIOA recipient.

Grantee – the recipient of grant funds. A grantee may also be referred to as a Service Provider.

Local Workforce Development Board (LWDB) – LWDBs are regional entities created to implement the Workforce Investment Act of 1998. Every community in the fifty states and US territories has an LWDB. With the passage of WIOA, Local Workforce Development Boards replaced Local Workforce Investment Boards that had been established under WIA.

Glossary of Terms

Program Monitoring – Ensures that Service Providers meet performance goals. Monitoring procedures include questionnaires, onsite reviews, interviews of participants, and review of documentation including contracts and files. Monitoring covers issues such as: actual vs contracted number of participants enrolled, trained, and placed in jobs, actual vs contracted services provided, sufficiency of resources to serve clients, timely data entry, access for people with disabilities, sufficiency of procedures for complaints.

Program Monitoring Report – A report written by City staff after conducting program monitoring of a contracted Service Provider. The report contains monitoring results, including any findings that must be resolved by the Service Provider.

WDB (Oakland Workforce Development Board) – is the Local Workforce Development Board for the City of Oakland, overseeing federally-funded employment and training programs and services.

Service Provider – Eligible provider of services, such as training, youth services, and career services.

Single Audit – Organizations which receive \$750,000 or more in federal funding are required to submit to a yearly, rigorous audit, also known as a “Single Audit.” The audit is conducted by an independent auditor, encompassing both financial and compliance components. Single Audit results are available to the public and often eliminate the need for other oversight entities to perform similar audits.

WIA (Workforce Investment Act) – was federal legislation designed to help job seekers access employment, education, training, and support services to succeed in the labor market and to match employers with the skilled workers they need to compete in the global economy. Former President Clinton signed WIA into law on August 7, 1998.

WIOA (Workforce Innovation and Opportunity Act) – was passed to replace the Workforce Investment Act (WIA) as the country’s primary federal workforce development legislation. Former President Barack Obama signed WIOA into law on July 22, 2014.

Introduction

The Oakland Workforce Development Board (WDB or the Board), oversees federally-funded grants for employment and training programs, and the delivery of these services to Oakland residents and businesses through six contracted Service Providers. These programs and services help struggling job seekers succeed in the labor market by providing access to employment, education, and training, as well as matching businesses with skilled workers.

The Board currently receives over \$3 million each year in Workforce Innovation and Opportunity Act (WIOA) funds to serve more than 650 clients. Two of the Board's core responsibilities are: (1) awarding and allocating federal WIOA funds to contracted Service Providers and (2) conducting regular monitoring of the contracted Service Providers.

The Board's staff, who are City of Oakland employees (City staff) led by an Executive Director (WDB Management) through the guidance of the Board, conduct two types of monitoring of the grantees: (1) Program Monitoring; and (2) Fiscal and Procurement Monitoring (Fiscal Monitoring). Both types of monitoring are conducted once per year for every Service Provider. Monitoring procedures include questionnaires, as completed by grantees, onsite reviews, interviews of participants, and review of documents including contracts and case files.

Program Monitoring verifies whether Service Providers have met performance goals, have sufficient resources to properly service clients, and provide the types of services required by federal regulation. Fiscal Monitoring verifies Service Providers have spent funds per federal guidelines. See Appendices for additional information about the Workforce Development Board, Service Providers, and the monitoring process.

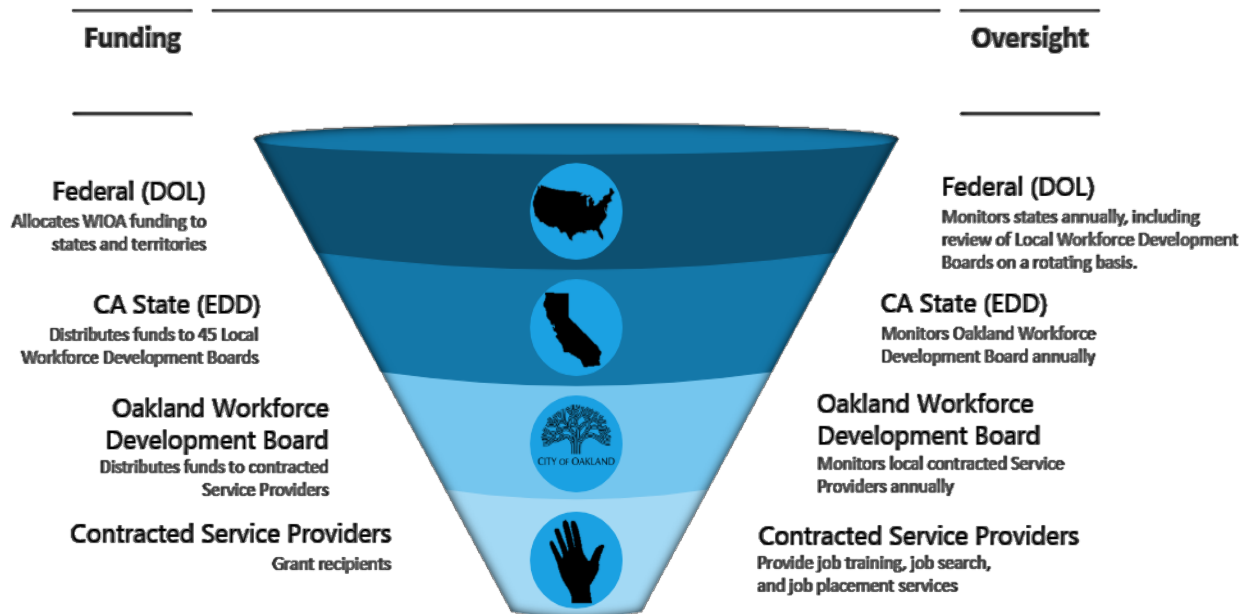
From 2000 through 2010, Oakland Private Industry Council (OPIC), a nonprofit organization, was contracted by the City of Oakland to administer and oversee workforce funds. Between 2011 and 2013 these responsibilities were shared by OPIC and the City staff. In 2013, the administrative responsibilities were fully transferred to City staff.

Federal and State Oversight Structure

Oakland's Workforce Development Board is monitored regularly by federal and state grantors to ensure it operates in compliance with all laws, regulations, and policies related to WIOA.

Introduction

WIOA Funding and Oversight Structure



Audit Scope and Objectives

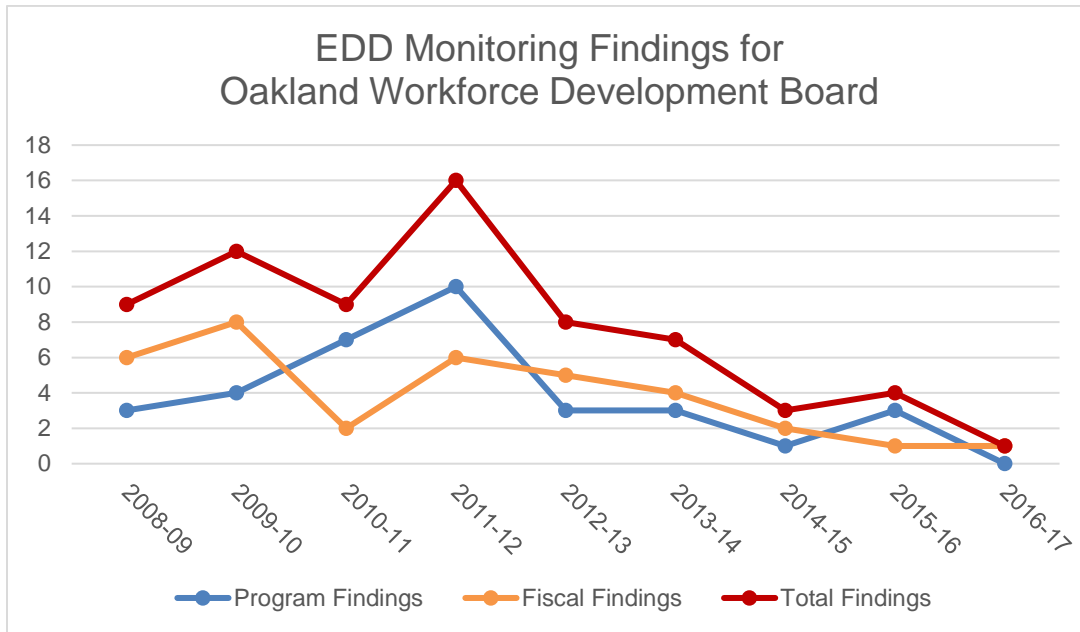
The audit covers fiscal years (FY) 2008-09 through FY 2017-18, and represents the first audit of the Oakland Workforce Development Board and its City staff by the City Auditor's Office.

The audit objectives were to determine:

1. Administrative fees charged by WDB are appropriate and compliant with federal requirements;
2. Appropriate monitoring and oversight is applied to grantees awarded with Service Provider contracts; and
3. Prompt action was taken by grantees to resolve issues raised by City staff monitoring these grantees, and the findings by Department of Labor (DOL) and California Employment Development Department (EDD) are addressed timely by City staff.

Introduction

Over the years, monitoring reviews of WDB conducted by the Federal Department of Labor and California Employment Development Department have resulted in findings, many of which are yet to be fully resolved. However, findings have decreased significantly since the City took over as System Administrator for the Workforce Development Board as seen in the chart below.



Audit Results

Finding 1 – City staff cannot confirm administrative cost calculations met federal requirements each year

Federal WIOA guidelines¹ state the Workforce Development Board may not allocate more than 10% of WIOA funding to administrative costs.² This ensures at least 90% of funds are spent on program costs to accomplish WIOA goals.

Because City staff was not able to re-perform the calculations and provide the supporting data of administrative costs as reported, we cannot validate administrative costs met the federal guidelines, or exceeded the 10 percent maximum allowable amount, for the fiscal years 2008 through 2016.

There are no documented procedures providing City staff with instructions and guidelines to calculate administrative fees to conform with federal requirements. Documenting procedures provides continuity, so calculations are performed accurately each time, even if there are changes in staff or unexpected absences of key employees. In addition, there is no evidence a supervisor or manager reviews the calculations.

Over the past five years, state monitoring reports also noted exceptions related to administrative costs. Specifically, these reports stated City staff did not report all administrative costs for four consecutive years, and administrative costs were calculated using budgeted amounts instead of actual expenditures.

Noncompliance with federal requirements could mean fewer funds are made available, possibly putting job training programs in jeopardy in subsequent years.

Recommendations

1. Ensure administrative costs are calculated accurately each year and are within the 10 percent federal limit;
2. Document the procedures applied in calculating administrative fees;
3. Supervisors or Managers should perform a detailed quality review of administrative fee calculations each year, ensuring all administrative costs are included accurately and completely; and

¹ CFR Title 20 Chapter V 667.210

² Administrative costs cover services such as accounting, budgeting, financial management, payroll; procurement and purchasing; personnel management; oversight and monitoring of contractors; developing systems and procedures; coordinating the resolution of findings from audits and reviews.

Audit Results

4. Ensure all prior state findings related to administrative fees are addressed and corrected to ensure these findings are not repeated.

Finding 2 – Inactive participants were not removed from the active list

Federal regulations require individuals no longer receiving access services (inactive clients) to be removed from active lists.^{3,4}

Accurate and complete reporting is a part of contract deliverables. The timely removal of inactive client files ensures resources are applied appropriately to clients that need them and Service Provider performance is measured accurately.

One Service Provider reported over a thousand inactive clients as ‘active’ over a nine-year period. One participant was deceased, but was retained as ‘active’ every 90 days for nearly four years. This overreporting resulted in the appearance of a higher than actual service rate for the grantee. City staff were not aware of inactive participants because a review of participant lists was not a part of their monitoring processes. This issue was brought to the attention of City staff in 2010, but resolution was delayed until May 2018. Corrective actions are still in progress.

Although reporting inactive participants as ‘active’ is contrary to the contractual agreement with the City for performance measures, the grantee regularly renewed its contracts with WDB and continued to receive funding.

Recommendations

1. Include a thorough review of the participant lists of all grantees and look for participants incorrectly reported as active. This procedure should be a standard part of the monitoring process for each grantee.
2. Ensure Service Providers remove inactive clients from the records in a timely manner by reviewing participant lists.
3. The Board and WDB Management should align funding decisions based on the results of both program and fiscal monitoring. Policies regarding the renewal of contracts should be updated to hold non-compliant grantees accountable.
4. The Board should reinforce WDB Management’s oversight responsibilities to ensure compliance with federal and state regulations.

³ Title 20 CFR Section 677.150 Section C- Exit1i

⁴ WSWSIN17-09 - Cal JOBS Activity Codes Information Notice

Audit Results

***Actions Taken:** During the audit, WDB Management developed a corrective action plan to ensure that the Service Provider with inactive clients is brought into compliance.*

Finding 3 – Procedures for Cash Holds are not followed

For various reasons, state or other agencies may issue a ‘cash hold’ on a grantee. This is a directive to the City to withhold payments until the ‘cash hold’ is released by the agency.

Contrary to internal procedures, City staff did not act on a ‘cash hold,’ released funds to a grantee, and did not notify the Executive Director of the ‘cash hold’ request.

There are no documented instructions for City staff to follow when they receive a ‘cash hold’ request.

Recommendations

1. Follow the ‘cash hold’ directive issued by the agency.
2. Update procedures to include the steps required for a ‘cash hold’ including the notifications to other City departments, including the WDB Executive Director.

Finding 4 – City staff did not escalate Single Audit findings

Organizations receiving \$750,000 or more in federal funding are required to submit to a yearly, rigorous audit, known as a ‘Single Audit.’ The audit is conducted by an independent auditor, encompassing both financial and compliance components. Single Audit results are available to the public and often eliminate the need for other oversight entities to perform similar audits.

A review of Single Audit findings is one of the procedures City staff should use to assess the financial health of grantees during the monitoring process, as Single Audit findings may be an indication of financial instability and operational challenges. City staff should evaluate the circumstances resulting in the Single Audit finding with WDB management and work with grantees to ensure an action plan has been developed for correction and improvement.

Single Audit findings were reported for two grantees in the WIOA program. The findings related to: 1) the unauthorized use of restricted funds, used for operational costs; and 2) an overburdened Fiscal Officer responsible for so many tasks that it created difficulty in managing and overseeing fiscal operations and staff.

These findings are likely indicative of serious underlying financial challenges—cash flow difficulties and a lack of oversight of the financial operations, both of which could result in

Audit Results

deteriorating operations of these grantees, and possible failure altogether of the organizations.

WDB management should have been notified promptly of these findings to better understand the issues and their impact on the grantees' programs; but City staff failed to do so.

Fiscal monitoring procedures lack instructions for staff to address Single Audit findings. Existing policies that mention Single Audits are out of date and reflect inaccurate federal requirements.

Further, in final monitoring reports, City staff incorrectly determined these Single Audit findings were resolved, giving the false impression the findings had been adequately addressed.

Recommendations

1. Update existing procedures to include guidelines for City staff to apply in the monitoring process, as related to Single Audit findings;
2. Emphasize the importance of Single Audit findings, and the need to escalate these to management promptly; and
3. Monitor Single Audit findings appropriately until they are deemed resolved by an independent auditor.

Finding 5 – Grantee findings are not addressed timely or completely

City staff review and monitor grantees receiving funds from WIOA. Once a review is completed, City staff prepares a report that includes staff conclusions, findings, and recommendations for remediation. The grantee has thirty (30) calendar days from the date of the report to correct and respond to any findings.

There is little urgency by City staff to ensure findings are addressed by grantees. In three instances, findings were ignored for more than a year, and were brought to the attention of City staff during a review by a state monitor. These findings related to grantees improperly including inactive cases on the listing of active clients, and missing participant files and documents.

Our review of the case files showed follow up procedures by City staff include verbal affirmation that findings were resolved, without obtaining supportive documentation or proof of remediation.

Audit Results

Recommendations

1. Update procedures to ensure proper monitoring of unresponsive grantees.
2. Define the criteria for resolving a finding, such as proof of remediation, and ensure final monitoring reports are issued.

Finding 6 - State and federal findings on the WDB are not tracked and cannot be confirmed as resolved

WDB is subject to monitoring by state and federal staff, and in some cases these reviews are conducted annually. Issues of weak controls or non-compliance are deemed to be findings, which must be addressed by WDB and City staff. To fully satisfy findings, WDB should be able to confirm the corrective actions taken.

Whether state or federal agencies perform follow-up on outstanding findings, City staff must ensure these gaps in non-compliance are fully resolved to ensure adherence to all requirements of these agencies.

Although, federal and state agencies have reported no open issues with WDB, City staff could provide no evidence that 61 of 68 findings by state monitors and 21 of 25 findings reported by federal monitors were fully resolved. Correcting findings is an important quality assurance practice to confirm that findings are not repeated. We identified same findings were reported in multiple years from 2009 through 2016.

Recommendation

City Staff should report federal and state findings and a timeline to resolve the outstanding issues to the WDB, so the Board can take actions to ensure compliance.

Audit Results

Conclusion

Our recommendations are intended to ensure administrative costs are within federal guidelines, monitoring of grantees awarded with Service Provider contracts is appropriate to confirm contract compliance, and prompt actions are taken to resolve monitoring issues.

These include:

- Implementing and documenting *detailed quality reviews* over administrative fee calculations, confirming program monitoring findings are resolved and escalated to management, and adequate monitoring of Single Audit findings;
- *Documenting clear procedures* for administrative fee calculations, steps to be taken in the event of a non-compliant grantee, including when to place 'cash-holds', how to monitor open Single Audit findings; action plans for unresponsive grantees;
- *Staff training* around Single Audit findings and proper escalation;
- *Issuing reports timely; and*
- *Addressing state findings timely and completely.*

We acknowledge Oakland Workforce Development Board Management and City staff have recognized these recommendations and initiated plans to implement procedural improvements.

Areas of Mention and Consideration

Area of Mention

Alameda County Grand Jury Review of Oakland Workforce Funding

The Alameda County Grand Jury conducted a review of workforce development funding in Oakland. Its 2018 report highlights concerns related to City Council awarding over \$500,000 to a few favored community-based organizations without the oversight of the Oakland Workforce Development Board. The Mayor and City Council responded to the report and partially agreed with the findings and intend to review further the various investments that the City makes in workforce development in a special study that will be underway in the fall of 2018 and is expected to be completed by late spring/early summer of 2019.

Area of Consideration

The City Auditor offers other suggestions for process and internal control improvements.

City staff do not use monitoring tools effectively to confirm that program goals are met

City staff use questionnaires in the initial phase of the monitoring process. Grantees provide responses and City staff use this information to develop the subsequent steps in their reviews for each grantee.

However, City staff is not using this tool as intended—to elicit responses and obtain information that will help staff in their monitoring and assessment of Service Providers. For example, many of the questions do not require documentation to support ‘yes’ or ‘no’ answers. Such detailed responses would give City staff needed information about the programs. City staff do not regularly follow up on questions left blank or not answered at all.

Recommendations

1. Revise the questionnaire so that supporting documentation and details are required for questions answered as ‘yes’ or ‘no’.
2. Develop a quality review process to ensure City staff are using the questionnaire as intended, unanswered questions receive follow-up, and grantees submit sufficient documentation to prove their answers are accurate.

Statement of Compliance with Government Auditing Standards

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Methodology

In conducting the audit, we:

- Selected a sample of Service Provider case files and tested for appropriate supervisory review, compliance, accuracy, and completeness;
- Reviewed program and fiscal monitoring policies & procedures;
- Performed walk-throughs and observations with Program Monitoring and Fiscal Monitoring personnel;
- Interviewed Workforce Development staff and Fiscal & Procurement Personnel;
- Tested whether staff adhered to policies and procedures; and
- Examined and tested documentation for compliance, accuracy, and completeness.

Appendix A – Background

The Workforce Development Board (Board or WDB) consists of up to 27 members (See Appendix B for the list of current members), all of whom are appointed by the Mayor. As federally mandated, most of the Board members are business leaders in the community, while other members represent labor, education, and community development interests. This ensures the needs of local business, regarding current employment skills, influence the training programs provided by the City.

The Board was established in Oakland as mandated by the 2014 Workforce Innovation and Opportunity Act (WIOA). WIOA updated and replaced the 1998 Workforce Investment Act (WIA) to act as the country's primary federal workforce development legislation. In 2014, the City's previously existing workforce board was disbanded and the Workforce Development Board was formed to replace it.

WIOA funding is initially allocated from the federal government to the State of California. The State then allocates funds to the Board to be used for workforce development programs and services. Federal and state entities oversee and monitor the operations of the Board.

From 2000 through 2010, Oakland Private Industry Council (OPIC), a nonprofit organization, was contracted by the City of Oakland to administer and oversee workforce funds. Between 2011 and 2013 the "System Administration" responsibilities were shared by OPIC and the City of Oakland staff. In 2013, the "System Administration" responsibilities were fully transferred to City staff.

Currently, the Board is supported solely by City staff and an Executive Director (WDB Management). City staff operates within, and under the direction of, the City of Oakland's Economic and Workforce Development Department (the Department). The Department's Director oversees the City staff, including its Executive Director, and helps administer the WDB.

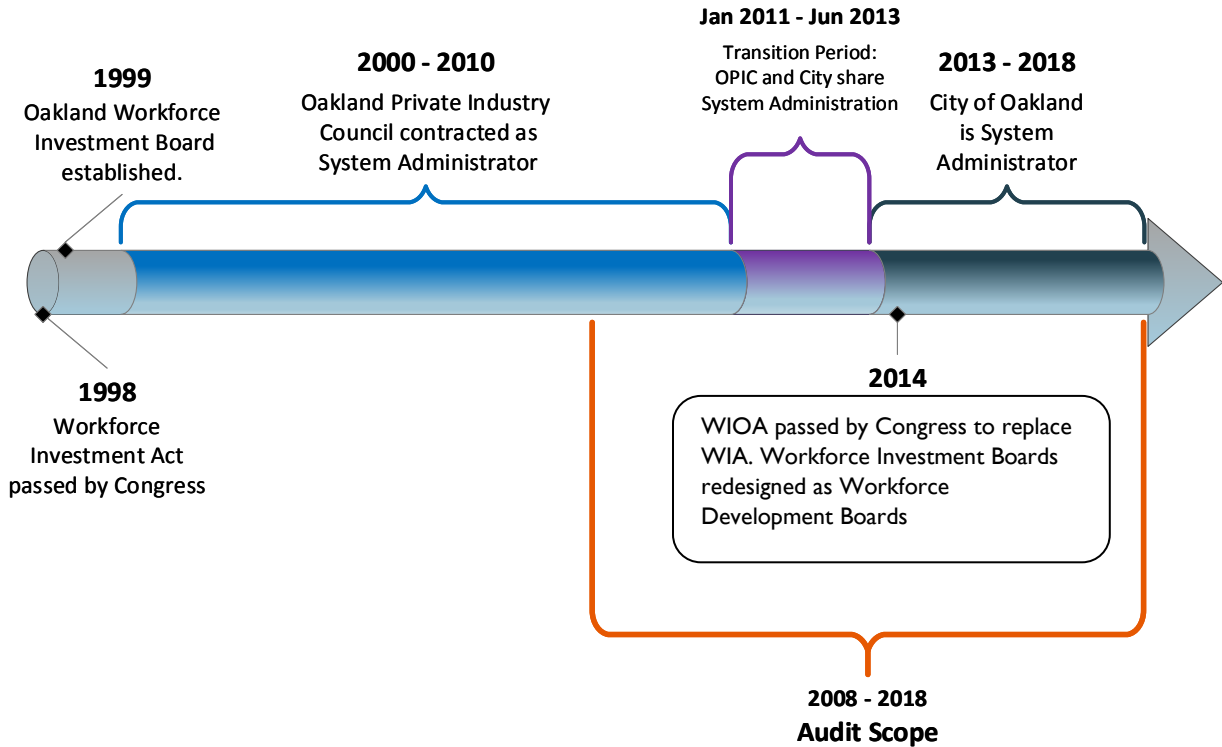
The City's Finance Department provides staff to perform fiscal operations for the Board, such as paying grantees and performing fiscal monitoring. A portion of WIOA funds granted by the State goes to the Economic and Workforce Development Department and the Finance Department to support the staff conducting administration functions and providing oversight to contracted Service Providers.

Appendix A – Background - Continued

Timeline

This timeline shows the evolution of the Workforce Innovation and Opportunity Act and the Workforce Development Board.

Oakland Workforce Development Board Timeline



Appendix B – Workforce Development Board Member Roster [as of September 2018]

WDB members are volunteers who generously contribute their time and expertise to the continuous improvement of Oakland's Workforce Development system. We respectfully request that all inquiries and concerns regarding the Oakland Board's business be directed to City staff.

Matt Alexander

Account Executive - Salesforce

John Brauer

Executive Director - Workforce & Economic Development, California Labor Federation

Kathleen Burris

Workforce Initiatives Manager - CVS

Kori Chen

Chief Operating Officer - Red Bay Coffee Co., LLC

Dan Ferreira

Labor Organization/President - IATSE Local 107

Herbert Garrett – Board Chairperson

Director - HR, UPS

Zeydi Gutierrez

Director of Business Operations - AB&I Foundry

Polly Guy

N. California Regional Store Manager - Starbucks

Derreck Johnson

Owner - Chicken and Waffles

Jowel C. Laguerre

Chancellor - Peralta Community College District

Darien Louie

Executive Director - East Bay Economic Development Alliance

Doreen Moreno

Manager - Government Relations, Children's Hospital

Appendix B – Workforce Development Board Member Roster [as of September 2018] - Continued

Chudy Nnebe

Cluster Manager - Economic Development Department

Gilbert Pete

Adult Education & Literacy Coordinator – Workforce & Economic Development, Oakland Unified School District, Adult Career & Education

Ruben Rodriguez

President - AFSCME, Local 444

Brian Salem

Staff Service Manager - California Department of Rehabilitation

Obray Van Buren

Special Representative - United Assoc. Local 342

Lynn Vera

Manager, Talent Acquisition & Community Outreach - Mettler Toledo Raini

Appendix C – Oakland Workforce Development Board Requirements

Oakland Workforce Development Board Requirements

1. Develop and submit a comprehensive Local Plan to the Office of the Governor.
2. Designate the One-Stop Operator.
3. Identify and approve eligible youth services, training services and career services providers in Oakland.
4. Develop and implement career pathways in Oakland.
5. Assess the accessibility of all one-stop centers annually.
6. Research and analyze economic conditions and workforce needs.
7. Engage with employers in Oakland to promote business representation on the Board.
8. Program oversight and accountability - Conduct oversight of workforce investment activities and ensure the appropriate use and management of funds under WIOA.
9. Develop a budget to carry out duties consistent with the Local Plan, subject to the approval of the Mayor. The Board shall receive staff support from the City Administrator of the City of Oakland

Source: City of Oakland website see address below

www2.oaklandnet.com/oakca1/groups/ceda/documents/agenda/oak058484.pdf p.8

Appendix D – Program and Fiscal Monitoring Differences

The following chart provides an overview of Program and Fiscal and Procurement Monitoring responsibilities and differences.

Type:	Program Monitoring	Fiscal and Procurement Monitoring
Purpose:	Ensures that Service Providers meet performance goals and federal guidelines.	Ensures that Service Providers spend funds per federal guidelines.
Monitors grantee activities including:	<ul style="list-style-type: none"> • Proper number of eligible participants enrolled, trained, and placed in jobs • Full array of services provided • Resources sufficient to serve clients • Data entered timely • Policies and procedures do not discriminate • Access for people with disabilities • Sufficient procedures for complaints 	<ul style="list-style-type: none"> • Expenditures don't exceed budget • Eligibility of expenses • Cash management system • Insurance coverage in compliance • Internal controls are in place to prevent errors and misuse of funds • Procurements including cost analyses • Status of Single Audit findings

Appendix E – Oakland WDB Contracted Service Providers

1. Oakland Private Industry Council

Website: <http://oaklandpic.org>

2. Unity Council

Website: <https://unitycouncil.org>

3. Youth Radio

Website: <https://youthradio.org>

4. Youth Employment Partnership

Website: <http://www.yep.org>

5. Civicorps

Website: <https://www.cvcorps.org>

6. Lao Family Community Development

Website: <http://www.lfcd.org>

**Workforce Development Audit
Management’s Response to City Auditor’s Report**



	City Auditor’s Recommendations	Management Response	Responsible Party	Target Date to Complete
1	<p><u>Administrative Costs</u></p> <ol style="list-style-type: none"> 1. Ensure administrative costs are calculated accurately each year and are within the 10 percent federal limit; 2. Document the procedures applied in calculating administrative fees; 3. Supervisors or Managers should perform a detailed quality review of administrative fee calculations each year, ensuring all administrative costs are included accurately and completely; and 4. Ensure all prior state findings related to administrative fees are addressed and corrected to ensure these findings are not repeated. 	<p>We will formalize existing procedures for processing administrative fees and begin documenting quality reviews of the calculations.</p>	Finance	TBD
2	<p><u>Inactive Client Files</u></p> <ol style="list-style-type: none"> 1. Include a thorough review of the participant lists of all grantees and look for participants incorrectly reported as active. This procedure should be a standard 	<p>We created a corrective action plan to ensure that the Service Provider with inactive clients is brought into compliance. We changed the program monitoring materials to include explicit questions regarding the exit of inactive and deceased clients.</p>	Workforce Management	June 2019

**Workforce Development Audit
Management’s Response to City Auditor’s Report**



	City Auditor’s Recommendations	Management Response	Responsible Party	Target Date to Complete
	<p>part of the monitoring process for each grantee.</p> <ol style="list-style-type: none"> 2. Ensure Service Providers remove inactive clients from the records in a timely manner by reviewing participant lists. 3. The Board and WDB Management should align funding decisions based on the results of both program and fiscal monitoring. Policies regarding the renewal of contracts should be updated to hold non-compliant grantees accountable. 4. The Board should reinforce WDB Management’s oversight responsibilities to ensure compliance with federal and state regulations. 			
3	<p><u>Cash Holds</u></p> <ol style="list-style-type: none"> 1. Follow the ‘cash hold’ directive issued by the agency. 2. Update procedures to include the steps required for a ‘cash hold’ including the notifications to other 	<p>We will formalize existing procedures for cash holds, including updating written policies so that there are clear instructions for City staff to follow when they receive a ‘cash hold’ request.</p>	Finance	TBD

**Workforce Development Audit
Management's Response to City Auditor's Report**



	City Auditor's Recommendations	Management Response	Responsible Party	Target Date to Complete
	City departments, including the WDB Executive Director.			
4	<p><u>Single Audit Findings</u></p> <ol style="list-style-type: none"> 1. Update and document procedures for City staff to apply in the monitoring process, as related to Single Audit findings; 2. Emphasize the importance of Single Audit findings, and the need to escalate these to management promptly; and 3. Monitor Single Audit findings appropriately until they are deemed resolved by an independent auditor. 	We will develop procedures that clarify for City staff how to handle Single Audit findings, including language to be used.	Finance	TBD
5	<p><u>Grantee Findings</u></p> <ol style="list-style-type: none"> 1. Update procedures to ensure proper monitoring of unresponsive grantees. 2. Define the criteria for resolving a finding, such as proof of remediation, and ensure final monitoring reports are issued. 	We will update existing procedures to ensure proper monitoring of unresponsive grantees, including the criteria for resolving a finding.	Workforce Management	January 2019

**Workforce Development Audit
Management’s Response to City Auditor’s Report**



	City Auditor’s Recommendations	Management Response	Responsible Party	Target Date to Complete
6	<p><u>State and Federal Findings Tracking</u></p> <p>City Staff should report federal and state findings and a timeline to resolve the outstanding issues to the WDB, so the Board can take actions to ensure compliance.</p>	<p>As of November 2018, the City of Oakland/OWDB has not been advised of any outstanding issues or findings by its federal or state oversight bodies that it has not already addressed.</p> <p>Prospectively, we will ensure that the Board is informed about all monitoring activities and any associated observations and/or findings that such efforts may reveal and ensure that they are reported and tracked through their conclusion.</p>	Workforce Management	January 2019