



# WorkSource Atlanta

## March 24, 2020

**Amanda Noble, City Auditor**

**Stephanie Jackson, Deputy City Auditor**

**Lewis Blake, Performance Audit Manager**

**Naomi Haynes-Smith, Senior Performance Auditor**

## Audit Objectives

- What is the status of WorkSource Atlanta's program performance, grant expenditures, and outreach efforts?
- What controls failed within the agency, resulting in the return of federal funds?

# Scope and Methodology

- Reviewed the 1998 WIA and 2014 WIOA acts and applicable state and federal administrative guidance
- Interviewed WorkSource staff and representatives from the Board and TCSG
- Reviewed policies and procedures, organizational charts, board meeting minutes and by-laws, grant documents, cooperative agreements with service providers, and state monitoring reports
- Analyzed client participation data from the GA Work Ready Online Participation Portal database
- Analyzed grant expenditures

# Findings Overview

- WorkSource should better track expenses
- Staff turnover resulted in inadequate segregation of duties for direct federal drawdowns
- Potentially disallowable costs and loss of funding continue to be risks
- The number of new participants dropped sharply in July 2016 through 2017 but is trending upward
- State monitoring reported weaknesses in program, compliance, and financial operations
- WorkSource met most individual performance targets but fell short on youth grants

# Better Expense Tracking Could Reduce Risk

Fiscal Year	Award Name (Fiscal or Program Year)	Award Period (Month/Year)	Grant Award Amount	Actual Expenses	Closeout Report Amount	Difference Between Actual Expenses & Award Amount	Difference Between Actual Expenses & Reported Amount
2015	WIA Adult PY13	7/13 - 6/15	47,179	47,179	47,180	0	(1)
	WIA Dislocated Worker PY13	7/13 - 6/15	120,943	115,320	120,943	(5,623)	(5,623)
	WIA Rapid Response PY13	7/13 - 6/15	25,635	25,635	25,635	0	0
	WIA Youth PY13	4/13 - 6/15	1,828,331	1,823,554	1,828,363	(4,777)	(4,809)
	WIA Adult FY14	10/13 - 6/15	2,013,294	1,602,672	2,013,293	(410,622)	(410,621)
	WIA Dislocated Worker FY14	10/13 - 6/15	714,844	709,320	714,844	(5,524)	(5,524)
	WIA Rapid Response FY14	10/13 - 6/15	102,654	102,654	102,654	0	0
Subtotal			\$4,852,880	\$4,426,334	\$4,852,912	(\$426,546)	(\$426,578)
2016	WIA Adult PY14	7/14 - 6/16	237,240	237,240	237,239	0	1
	WIA Dislocated Worker PY14	7/14 - 6/16	64,053	64,053	64,053	0	0
	WIA Youth PY14	4/14 - 6/16	1,818,332	1,818,332	1,818,331	0	1
	WIA Adult FY15	10/14 - 6/16	1,951,950	1,948,200	1,951,950	(3,750)	(3,750)
	WIA Dislocated Worker FY15	10/14 - 6/16	691,140	691,140	691,140	0	0
Subtotal			\$4,762,715	\$4,758,965	\$4,762,713	(\$3,750)	(\$3,748)
2017	WIOA Adult PY15	7/15 - 6/17	303,748	303,748	303,746	0	2
	WIOA Dislocated Worker PY15	7/15 - 6/17	48,937	48,937	48,936	0	1
	WIOA Adult FY16	10/15 - 6/17	2,342,050	2,342,737	2,342,050	687	687
	WIOA Dislocated Worker FY16	10/15 - 6/17	239,585	161,242	239,585	(78,343)	(78,343)
Subtotal			\$2,934,320	\$2,856,664	\$2,934,317	(\$77,657)	(\$77,654)
2018	WIOA Adult PY16	7/16 - 6/18	429,220	429,220	429,220	0	0
	WIOA Youth PY16	4/16 - 6/18	1,863,994	1,863,936	1,863,994	(58)	(58)
	WIOA Dislocated Worker FY17	10/16 - 6/18	288,607	288,003	288,006	(604)	(3)
Subtotal			\$2,581,821	\$2,581,159	\$2,581,220	(\$662)	(\$61)
Grand Total			\$15,131,736	\$14,623,122	\$15,131,162	(\$508,614)	(\$508,040)

# Better Expense Tracking Could Reduce Risk

Fiscal Year	Total Transactions	Number of Negative Transactions	% Negative Transactions
FY14	8,213	1,627	20%
FY15	9,902	646	7%
FY16	10,000	2,283	23%
FY17	9,203	3,039	33%
FY18	8,037	2,192	27%
FY19	15,672	751	4%
<b>Totals</b>	<b>61,027</b>	<b>10,538</b>	<b>17%</b>

Source: Oracle financial system

# Incompatible Duties Should Be Segregated

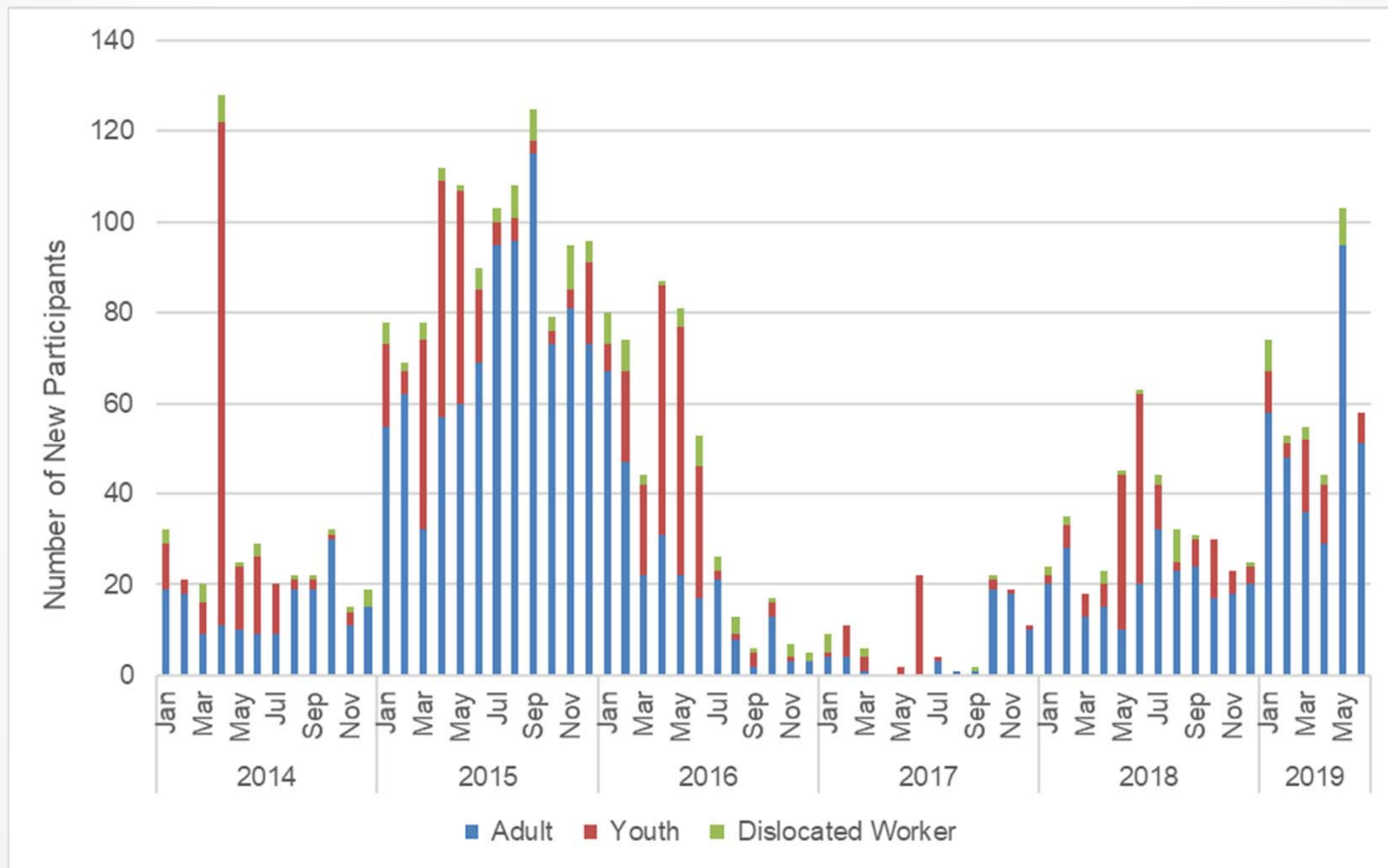
- WorkSource Atlanta Interim Finance Director completed drawdowns for direct federal awards, both authorizing and recording assets

## Potentially Disallowable Costs and Loss of Funding Continue to Be Risks

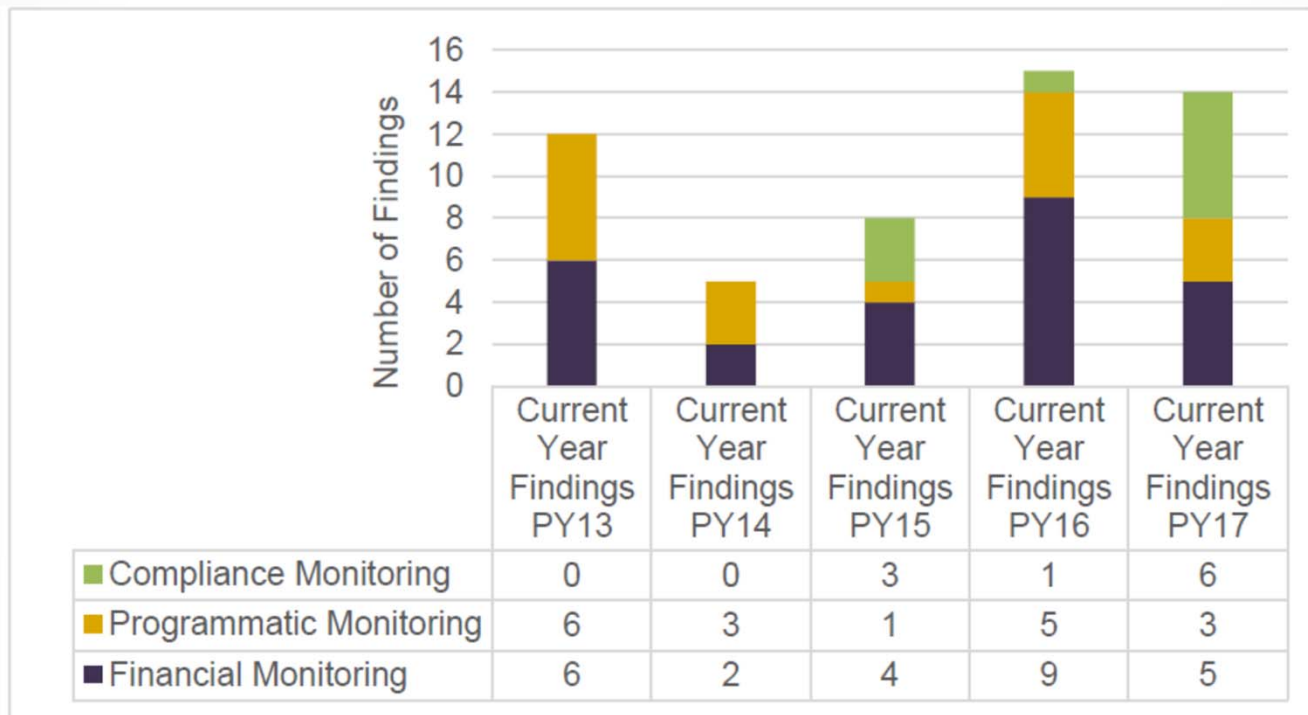
- WorkSource could lose \$3.6 Million in TechHire and \$215,000 unspent WIOA funds
- Administrative expenses for two WIOA grants in FY18 was higher than 10% threshold
- Grant funds paid for meal costs without adequate support
- City reimbursed Atlanta Technical College for \$126,000 in disallowed costs



# New Participants Dropped Sharply in 2016



# State Monitoring Reported Weaknesses



**Source:** Technical College System of Georgia's Office of Workforce Development Monitoring Reports on Financial and Programmatic Compliance

# WorkSource Met Most Individual Performance Targets

Performance Measure	PY17 Q4			PY18 Q4		
	Actual	Goal	% of Goal	Actual	Goal	% of Goal
Adult Q2 Employment Rate	70%	70.0%	100%	67%	70.0%	96%
Adult Q4 Employment Rate	71%	74%	96%	68%	74.0%	92%
Adult Median Earnings	\$5,002	\$4,400	114%	\$3,844	\$4,400	87%
Adult Credential Attainment	78%	53.0%	148%	52.0%	60.0%	87%
Dislocated Worker Q2 Employment Rate	65%	73.0%	89%	71%	68.0%	105%
Dislocated Worker Q4 Employment Rate	71%	72.0%	99%	54%	70.0%	78%
Dislocated Worker Median Earnings	\$7,727	\$5,600	138%	\$8,258	\$5,600	147%
Dislocated Worker Credential Attainment	100%	58%	172%	70%	65.0%	107%
Youth Q2 Employment Rate	63%	67%	94%	58%	67.0%	87%
Youth Q4 Employment Rate	69%	66%	105%	64%	68.0%	94%
Youth Credential Attainment	39%	60%	65%	16%	60.0%	26%

**Source:** Technical College System of Georgia's Office of Workforce Development Monitoring Reports on Financial and Programmatic Compliance

# Questions?

Full Report:

<http://www.atlaudit.org/audit-reports.html>

