

M A D E R A C O U N T Y
W O R K F O R C E
I N V E S T M E N T B O A R D
"Committed to a Quality Workforce"

AUDIT REQUIREMENTS POLICY

EDD Revision Date: 5/25/06

WIB Review Date: 3/22/07

EXECUTIVE SUMMARY:

Purpose:

This document established the Madera County Workforce Investment Board's policy on the expenditure requirements for entities receiving Workforce Investment Act (WIA) funds, in accordance with the recent revisions to Office of Management and Budget (OMB) Circular A-133.

Scope:

This information applies to all Local Workforce Investment Areas (LWIA) and subgrantees expending \$500,000 or more in any fiscal year ending after December 31, 2003.

Effective Date:

This policy is effective on the date of issuance of EDD Directive WIAD05-17.

REFERENCES:

- EDD Directive WIAD05-16
- WIA Section 184
- Title 20 Code of Federal Regulations (CFR) Section 667.200(b)
- Title 29 CFR Part 95 or 97 (as applicable)
- Title 31 United States Code (USC) Chapter 75
- OMB Circular A-133
- Federal Register, Volume 68, Number 124, June 27, 2003

STATE-IMPOSED REQUIREMENTS:

This document contains State-imposed requirements. These requirements are in ***bold, italic*** print.

FILING INSTRUCTIONS:

This directive supersedes WIA Directive WIAD03-7, dated September 9, 2003, and finalizes WIA Draft Directive WIADD-155, issued for comment on April 13, 2006. The Workforce

Investment Division received no comments during the draft comment period. Retain this directive until further notice.

BACKGROUND:

Revised audit requirements specified in OMB Circular A-133 require nonfederal entities that expend a total amount of federal awards equal to or in excess of \$500,000 to have either a single audit or a program-specific audit. Nonfederal entities that expend federal awards under more than one federal program must have a single audit.

Title 29 CFR Sections 95.26 and 97.26 require each entity receiving funds under the WIA to comply with Title 31 USC Chapter 75.

Title 31 USC Section 7502 further requires each pass-through entity to:

- Monitor the subrecipient's federal awards through site visits, limited scope audits, or other means;
- Review audits of subrecipients to determine if prompt and appropriate corrective action has been taken with respect to audit finds; and
- Require each of its subrecipients of federal awards to permit, as a condition of receiving federal awards, the independent auditor of the pass-through entity to have such access to the subrecipient's records and financial statements as may be necessary.

POLICY AND PROCEDURES:

LWIA Grants, Subrecipient or Cooperative Agreements

Each grant, subrecipient agreement, or cooperative agreement, of the LWIA or its subrecipient, shall contain the following requirements:

As a condition of receiving WIA funds, the independent auditor or monitor of the LWIA, and the Employment Development Department (EDD) auditors, investigators, monitors, and their representatives, shall at all times during the period that the grant is in force and for a period of three years thereafter, have access to all related records and financial statements and to individuals with knowledge of the records and financial statements as may be necessary to ensure compliance with the WIA statute, regulations, and directives.

Audit Requirements

Each LWIA will conduct and ensure that each of its subrecipients expending \$500,000 or more of federal funds in fiscal years ending after December 31, 2003, conducts and audit in accordance with Section 184 of the WIA, Title 20 CFR Section 667.200, Title 29 CFR Part 95 or 97 (as applicable), and Title 31 USC Chapter 75.

Governmental entities will continue submitting copies of their Single Audit Reports to the State Controller:

*Attn: Single Audit Reports
Division of Audits
State Controller's Office
P.O. Box 942850
Sacramento, CA 94250-0001*

Copies of Private, Non-Profit Organizations' Single Audit Reports are to be submitted EDD as follows:

*Audit & Evaluation Division, MIC 78
Employment Development Department
P.O. Box 826880
P.O. Box 826880
Sacramento, CA 94280-0001*

ACTION:

The actions specified by this directive shall be carried out by the organizations and individuals specified herein.

INQUIRIES:

If you have any question, please contact your Regional Advisor at (916) 654-7799.