



LOS ANGELES COUNTY

WIA Service Providers

DIRECTIVE

Number: LACOD-WIAD08-30

Subject: AUDIT REQUIREMENTS

Date: April 21, 2008

Effective Date: May 25, 2006

Page 1 of 3

TO: WIA SERVICE PROVIDERS

Purpose: The purpose of this directive is to update 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 WIA Service Providers expending \$500,000 or more in any fiscal year ending after December 31, 2003.

REFERENCES:

- 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

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 sub-recipient's federal awards through site visits, limited scope audits, or other means;
- Review audits of sub-recipients to determine if prompt and appropriate corrective action has been taken with respect to audit findings; and
- Require each of its sub-recipients 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 sub-recipient's records and financial statements as may be necessary.

POLICY AND PROCEDURES:

LWIA Grants, Sub-recipient or Cooperative Agreements

Each grant, sub-recipient agreement, or cooperative agreement, of the LWIA or its sub-recipient, shall contain the following requirement:

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 sub-recipients expending \$500,000 or more of federal funds in fiscal years ending after December 31, 2003, conducts an 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.

All WIA Services providers expending \$500,000 or more of federal funds must submit copies of their Single Audit Reports **no later than nine months after the end of the Service Provider's fiscal year** to:

Attn: Jackie Lynn Sakane
Los Angeles County Community and Senior Services Department
3175 West Sixth Street
Los Angeles, CA 90020

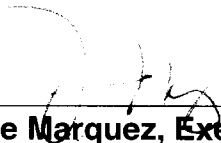
Governmental entities will also submit copies of their Single Audit Reports to the State Controller:

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 to EDD as follows:

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

If you have any questions, please contact Jackie Lynn Sakane at (213) 739-7321.



**Josie Marquez, Executive Director
Workforce Investment Board**

DIRECTIVE

WORKFORCE INVESTMENT ACT

Number: WIAD05-16

Date: May 25, 2006

69:136:jw:9963

TO: WORKFORCE DEVELOPMENT COMMUNITY

SUBJECT: AUDIT REQUIREMENTS

EXECUTIVE SUMMARY:

Purpose:

The purpose of this directive is to update 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 directive is effective immediately.

REFERENCES:

- 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.

EDD is an equal opportunity employer/program. Auxiliary aids and services are available upon request to individuals with disabilities. Special requests for services, aids, and/or special formats need to be made by calling (916) 654-8055 (Voice). TTY users, please call the California Relay Service at 711.

FILING INSTRUCTIONS:

This directive supersedes WIA Directive WIAD03-7, dated September 9, 2003, and finalizes WIA Draft Directive WIADD-115, 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 findings; 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.

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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 an 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 to EDD as follows:

**Audit & Evaluation Division, MIC 78
Employment Development Department
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 questions, please contact your Regional Advisor at (916) 654-7799.

/S/ BOB HERMSMEIER
Chief
Workforce Investment Division