



City of San Antonio

Agenda Memorandum

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Agenda Item Number: 2

Agenda Date: May 14, 2024

In Control: Audit Committee

DEPARTMENT: Office of the City Auditor

DEPARTMENT HEAD: Kevin Barthold

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT:

Acceptance of the Office of the City Auditor Report AU23-038 Audit of Workforce Development Office Ready to Work Program.

SUMMARY:

Determine if contract compliance and monitoring is adequate and performance measures are supported.

BACKGROUND INFORMATION:

Background

The Ready to Work (RTW) program was launched in May 2022 as an education and job placement program and is primarily funded via a 1/8 cent sales tax. Participants eligible for the RTW program must be City of San Antonio residents, authorized to work in the US, at least 18 years of age, and have household income less than 250% of the federal poverty guidelines. In addition, military

connected residents of Bexar County are eligible to participate. Services provided include intake and assessment, case management services, wrap-around services (such as career exploration and emergency assistance), training, and job placement.

To accomplish program goals, the City of San Antonio joined forces with the following Prime agencies: Workforce Solutions Alamo, Alamo Colleges District, Project Quest, and Restore Education. These contracts total \$189,483,142 cumulatively for up to a six-year period. As of December 2023, \$22,368,707 has been paid to the Prime agencies. The Prime agencies have contracted with subcontractors for assistance with program execution. The City also partnered with Creative Noggin for community outreach, SA Talent for employer engagement, and Learning Mate Solutions for the creation of a digital training catalog.

The Workforce Development Office (WDO) oversees the RTW program and agencies by coordinating monthly meetings and receiving quarterly updates. In addition, WDO performs reviews to confirm participant eligibility, service delivery, and case management progress. Furthermore, WDO publishes RTW outcomes and demographics on a dashboard for public viewing. As of December 2023, 10,000 participants completed the intake process, 5,482 participants were enrolled in training, and 398 participants were placed in quality jobs.

Scope & Methodology

The audit scope was from May 2022 to November 2023. The scope included program expenditures, compliance with RTW Prime agency and sub-contractor contracts, Small Business Economic Development Advocacy (SBEDA) subcontracting goals, and performance measures.

Conclusions

Contract compliance and monitoring of the RTW program was adequate and performance measures were properly supported. Program expenditures were properly supported and allowable. Controls are adequate to ensure participant eligibility, insurance coverage, reporting requirements, and program outreach are in compliance with contractual requirements. Finally, performance measures were accurate and supported.

However, we determined some Prime agencies are not adequately performing specific elements of the scope of services outlined in their contracts. Furthermore, Prime agencies are not satisfactorily progressing towards compliance with SBEDA subcontracting goals. We made recommendations to improve these areas.

Management agreed with the recommendations and developed positive corrective action plans.

ISSUE:

This item is presented for acceptance by the Audit Committee.

FISCAL IMPACT:

NA

ALTERNATIVES:

NA

RECOMMENDATION:

Staff recommends acceptance of this audit report.