



City of San Antonio

Agenda Memorandum

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In Control: Audit and Accountability Committee

AUDIT COMMITTEE SUMMARY

April 16, 2019

Audit of EDD Project Quest Contract Administration

Report Issued March 21, 2019

Objective

Determine if EDD adequately monitors Project Quest and Cloud Academy to include compliance with contract terms and program performance goals.

Background

The City contracts with delegate agencies to promote long-term and short-term workforce development. Through the use of City funding, delegate agencies focus on:

- Targeting populations most in need of education and training
- Assisting clientele seeking to enter the workforce
- Developing strategic alliances with businesses, industries, and academia

Project QUEST Inc. and Cloud Academy are workforce development agencies that the City contracts with to perform workforce development. Project QUEST provides education, training, and counseling to maximize opportunities for long-term success with a goal of strengthening the economy with highly qualified employees. Cloud Academy facilitates a partnership with Rackspace. The program provides a training facility, utilities, computer equipment, IT infrastructure, training materials, and instructors to train participants to meet the requirements for IT-specific certifications. The table below illustrates funding allocations for fiscal year 2018 and 2019.

FY 2018 and 2019 Funding Allocations

<u>Program Name</u>	<u>FY18 Funding</u>	<u>FY19 Funding</u>
Project QUEST	\$2,300,000	\$2,000,000
Cloud Academy	\$200,000	\$200,000
Total Funding	\$2,500,000	\$2,200,000

EDD is responsible for monitoring the Project Quest and Cloud Academy contracts. EDD performs programmatic, fiscal and contract compliance reviews as part of their monitoring of Project Quest. In addition, they are responsible for tracking administrative costs and reviewing reimbursement

requests.

Scope and Methodology

The audit scope was from October 2016 through September 2018. It included a review of the contract terms and performance goals outlined in the contracts between the City, Project Quest and Cloud Academy. We reviewed the expenditure reimbursement process and the controls in place over the approval of allowable expenditures. We reviewed controls in place related to participant eligibility. In addition, we reviewed appropriate user access of the system used to manage participants.

Conclusions

EDD is adequately monitoring Project Quest and Cloud Academy including compliance with contract terms and program performance goals. Project Quest and Cloud Academy expenditure reimbursement requests were adequately supported and approved. EDD adequately monitored contract compliance with program eligibility, proper insurance requirements, audited financial statements, performance reviews, appropriate administrative costs, and non-City funding source limitations.

As we had no findings, we made no recommendations.