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## **WRTP/BIG STEP**

**Quarterly Reporting Framework for the Ready to Work Program**

**February 8, 2013**

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February 27, 2013

Mr. Earl Buford  
President/CEO  
3841 W Wisconsin Avenue  
Milwaukee, WI 53208

Dear Mr. Buford:

On December 12, 2012, Baker Tilly Virchow Krause, LLP ("Baker Tilly") was contracted to establish and execute a quarterly reporting framework for the Ready to Work Workforce program. The purpose of the project was to establish a reporting framework to verify the accuracy of quarterly program outcomes and expenditures, and to provide an independent review of the quarterly reports on the Ready to Work Workforce Development program.

Baker Tilly is pleased to present an initial draft report of the results of our analysis. Please do not hesitate to contact us with any questions you might have regarding the information contained in this report or the work completed to reach the conclusions set forth.

We are pleased to be working with you throughout this project and look forward to your feedback and moving forward with next steps.

Sincerely,

BAKER TILLY VIRCHOW KRAUSE, LLP

Christine Smith, Principal

## Background and Summary

We have completed our review of the Wisconsin Regional Training Partnership/Building Industry Group Skilled Trades Employment Program’s (“WRTP/ BIG STEP”) Quarter 1 Draft Report of its administration of the Ready to Work Workforce Development program. The Draft Report contained both monthly snapshots of financial and program information from August 2012 through October 2012, and a summary of the entire three month period.

Under its contract with Milwaukee County, WRTP/BIG STEP is required to complete quarterly reports throughout the duration of this 18 month program that contain information on the number of people served by the program, the types of services individuals received, and program expenditures, including personnel and program costs. Milwaukee County and WRTP/BIG STEP have jointly created a format for the quarterly reports. WRTP/BIG STEP has contracted with Baker Tilly Virchow Krause, LLP (“Baker Tilly”, “we”, “our”, “us”) as the outside agency to determine whether the quarterly reports are reasonable and accurately reflect the program activities and expenditures.

Based on our review, the Quarter 1 Draft Report contains reasonable and accurate information regarding program expenditures. However, we found that the Draft Report did not always contain accurate calculations of the number of participants who received recruitment and assessment services, career pathway and training services, and job placements because of calculation errors. WRTP/BIG STEP was aware of errors before our review began and has already taken appropriate actions to prevent them in future reports.

## Review of Program Expenditures

As part of our financial review, we interviewed WRTP/BIG STEP finance staff about the processes used to create the financial information included in the Quarter 1 Draft Report, reviewed relevant policies and procedures to determine how internal control is maintained over programs funds, and analyzed the direct and indirect expenditures in the Draft Report to ensure that calculations performed by WRTP/BIG STEP were reasonable and accurate.

For this initial review, we also completed several one-time financial audit tasks to obtain a better understanding of WRTP/BIG STEP’s financial management practices and provide additional assurance for our future reviews that program finances are managed appropriately and reported accurately. Our audit tasks included:

- > Tracing the total expenses contained in the Quarter 1 Draft Report to WRTP/BIG STEP’s income statements and the general ledger.
- > Reviewing ten salary and wage entries to determine whether amounts were calculated correctly, allocated to the correct funding source, and that time cards were reviewed by supervisory staff.
- > Reviewing five disbursements on the quarterly check register and verifying that there were supporting invoices and documentation.

Our review confirmed that the direct and indirect expenditures were calculated accurately and are reasonable. As shown in the table below, from August 2012 through October 2012, WRTP/BIG STEP spent a total of \$167,648, including \$135,057 in direct expenditures and \$32,591 in indirect expenditures, to provide career pathway and training services and provide job placement assistance. Expenditures increased during the three month period as program participation increased.

Expenditures for the Ready to Work Workforce Development Program <sup>1</sup>			
	Direct Expenditures	Indirect Expenditures	Total
<b>August 2012</b>	\$32,869	\$9,226	\$42,094
<b>September 2012</b>	\$34,156	\$10,144	\$44,300
<b>October 2012</b>	\$68,033	\$13,221	\$81,254
<b>Total</b>	\$135,057	\$32,591	\$167,648

## Review of Program Participation

<sup>1</sup> Analyses performed using data provided by WRTP/BIG STEP.

## WRTP Quarterly Reporting Framework for the Ready to Work Program

As part of our program review, we interviewed WRTP/BIG STEP program managers to determine how they administer the Ready to Work Workforce Development program, including providing recruitment and assessment services and career pathway and other training services. We also reviewed the processes used to track program enrollment, attendance, and completion. WRTP/BIG STEP uses Efforts to Outcomes (ETO)—a system that is used by many non-profits and governments—to record and analyze program participants’ progression through the program.

To complete our review and verify the program outcomes reported by WRTP/BIG STEP, we obtained an unmodified extract of the information maintained in ETO for each of the months in the quarter under review. We independently analyzed the unmodified data to verify the accuracy of the program information contained in the monthly detail contained in the Quarter 1 Draft Report, as well as the quarterly summary information.

As noted, our calculations of the number of participants who received recruitment and assessment services, participated in career pathway and training, or were placed into employment differed from what was reported in the Draft Report. Prior to beginning our review, WRTP/BIG STEP indicated it was aware of errors in the Draft Report and we worked with their staff to identify the origin and nature of the errors. Our review identified that the formula used to summarize the number of Milwaukee County residents placed into employment resulted in placements being counted twice. We also identified other errors in the Draft Report’s monthly snapshots due to errors in the calculation of the number of participants who received various services and training. The findings from our review of each monthly snapshot are included as Appendix A.

As shown in the table below, 492 individuals received recruitment and assessment services from August 2012 through October 2012, which was 1 less than reported. We also found that 217 participants were placed in career pathway and training programs during the same period, which is 7 more than reported.

<b>Assessment and Training Services Provided to Milwaukee County Residents August 2012 through October 2012<sup>2</sup></b>		
	<b>Quarter 1 Draft Report</b>	<b>Baker Tilly Calculation</b>
<b>Received Recruitment and Assessment</b>	493	492
<b>Career Pathway and Training Placement</b>	210	217

We also found that fewer individuals were placed into employment than what was reported by in the Draft Report. A total of 44 participants were placed into employment from August 2012 through October 2012, compared to the reported 51 participants. As shown in the table below, we found:

- 27 individuals were placed into construction jobs;
- 14 individuals were placed into manufacturing jobs; and
- 3 individuals were placed into other types of employment, such as general labor.

<b>Number of Milwaukee County Resident Placed into Employment August 2012 through October 2012<sup>3</sup></b>						
	<b>Construction</b>		<b>Manufacturing</b>		<b>Other</b>	
	<b>Quarter 1 Draft Report</b>	<b>Baker Tilly Calculation</b>	<b>Quarter 1 Draft Report</b>	<b>Baker Tilly Calculation</b>	<b>Quarter 1 Draft Report</b>	<b>Baker Tilly Calculation</b>
<b>Full-Time</b>	29	27	18	14	3	3
<b>Part-time or Seasonal</b>	0	0	0	0	1	0
<b>Total</b>	<b>29</b>	<b>27</b>	<b>18</b>	<b>14</b>	<b>4</b>	<b>3</b>

To ensure accurate and complete calculations, WRTP/BIG STEP has created written procedures to create a more systematic process that it will use when extracting, modifying and analyzing participation data for future report.

<sup>2</sup> Analyses performed using data provided by WRTP/BIG STEP.  
<sup>3</sup> Analyses performed using data provided by WRTP/BIG STEP.

Appendix A – Baker Tilly Review of Monthly Snapshots

August 2012		
Number Placed in Recruitment and Assessment or Career Pathways/Training Services	Quarter 1 Draft Report	Baker Tilly Calculation
Recruitment and Assessment Participants	176	175
Career Pathways/Training Service	59	54
Number Placed in Employment		
Construction		
Full-time Employment	16	13
Part-time Employment	0	0
Manufacturing		
Full-time Employment	12	8
Part-time Employment	0	0
Other		
Full-time Employment	2	2
Part-time Employment	1	0
September 2012		
Number Placed in Recruitment and Assessment or Career Pathways/Training Services	Quarter 1 Draft Report	Baker Tilly Calculation
Recruitment and Assessment Participants	73	73
Career Pathways/Training Service	46	51
Number Placed in Employment		
Construction		
Full-time Employment	8	10
Part-time Employment	0	0
Manufacturing		
Full-time Employment	4	4
Part-time Employment	0	0
Other		
Full-time Employment	0	0
Part-time Employment	0	0
October 2012		
Number Placed in Recruitment and Assessment or Career Pathways/Training Services	Quarter 1 Draft Report	Baker Tilly Calculation
Recruitment and Assessment Participants	244	244
Career Pathways/Training Service	105	112
Number Placed in Employment		
Construction		
Full-time Employment	5	4
Part-time Employment	0	0
Manufacturing		
Full-time Employment	2	2
Part-time Employment	0	0
Other		
Full-time Employment	1	1
Part-time Employment	0	0