Single Audit Reports

For the Year Ended June 30, 2007

Single Audit Reports

For the Year Ended June 30, 2007

Table of Contents

	Page(s)
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	1-2
Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Program, on Internal Control over Compliance and the Schedule of Expenditures of Federal Awards In Accordance with OMB Circular A-133, Supplementary Schedule of Categorical Expenditure Distribution for the Correction Standards Authority and Office of Emergency Services Grant Programs and Schedule of Grant Expenditures for Grants Provided by the California Health and Human Services Agency, Department of Aging	3-5
Schedule of Expenditures of Federal Awards	6-20
Supplementary Schedule of Categorical Expenditure Distribution for the Correction Standards Authority and Office of Emergency Services Grant Programs	21-22
Supplementary Schedule of Grant Expenditures for Grants Provided by the California Health and Human Services Agency, Department of Aging	23
Notes to Schedule of Expenditures of Federal Awards, Supplementary Schedule of Categorical Expenditure Distribution for the Correctional Standards Authority and Office of Emergency Service Grant Programs and Schedule of Grant Expenditures for Grants Provided by the California Health and Human Services Agency, Department of Aging	24-27
Schedule of Findings and Questioned Costs	28-45





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Board of Supervisors County of Orange, California

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of Orange, California (County), as of and for the year ended June 30, 2007, which collectively comprise the County's basic financial statements and have issued our report thereon dated December 12, 2007. We did not audit the financial statements of the Children and Families Commission of Orange County (Commission), the discretely presented component unit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the County's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the County's financial statements that is more than inconsequential will not be prevented or detected by the County's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the County's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain other matters that we reported to management of the County in a separate letter dated December 12, 2007.

This report is intended solely for the information and use of the Board of Supervisors, the County's Audit Oversight Committee, County management and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

Certified Public Accountants

marias Jini & O'Connell LLP

Los Angeles, California December 12, 2007



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Board of Supervisors County of Orange, California

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM, ON INTERNAL CONTROL OVER COMPLIANCE
AND THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS IN ACCORDANCE WITH
OMB CIRCULAR A-133, SUPPLEMENTARY SCHEDULE OF CATEGORICAL EXPENDITURE
DISTRIBUTION FOR THE CORRECTION STANDARDS AUTHORITY AND OFFICE OF
EMERGENCY SERVICES GRANT PROGRAMS AND SCHEDULE OF GRANT EXPENDITURES
FOR GRANTS PROVIDED BY THE CALIFORNIA HEALTH AND HUMAN SERVICES AGENCY,
DEPARTMENT OF AGING

Compliance

We have audited the compliance of the County of Orange, California (County), with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2007. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the County's compliance with those requirements.

In our opinion, the County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2007. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 07-01, 07-05, 07-08 and 07-09.

Internal Control Over Compliance

The management of the County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over compliance.

Our consideration of internal control over compliance was for the limited purposes described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more that a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 07-01, 07-02, 07-03, 07-04, 07-05, 07-06, 07-07, 07-08 and 07-09.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control. We do not consider any of the deficiencies described in the accompanying schedule of findings and questioned costs to be material weaknesses.

Schedule of Expenditures of Federal Awards, Supplementary Schedule of Categorical Expenditure Distribution for the Correction Standards Authority and Office of Emergency Services Grant Programs and Schedule of Grant Expenditures for Grants Provided by the California Health and Human Services Agency, Department of Aging

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of Orange, California (County), as of and for the year ended June 30, 2007. and have issued our report thereon dated December 12, 2007. We did not audit the financial statements of the Children and Families Commission of Orange County (Commission), the discretely presented component unit. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. accompanying schedule of expenditures of federal awards, supplementary schedule of categorical expenditure distribution for the Correction Standards Authority and Office of Emergency Services grant programs and schedule of grant expenditures for grants provided by the California Health and Human Services Agency, Department of Aging are presented for purposes of additional analysis as required by OMB Circular A-133, the Correction Standards Authority, the Office of Emergency Services and California Health and Human Services Agency, Department of Aging, respectively, and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The County's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the County's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the Board of Supervisors, the County's Audit Oversight Committee, County management, federal awarding agencies, and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

Certified Public Accountants

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Los Angeles, California

March 26, 2008, except for the paragraph on the schedule of expenditures of federal awards, supplementary schedule of categorical expenditure distribution for the Correction Standards Authority and Office of Emergency Services grant programs and schedule of grant expenditures for grants provided by the California Health and Human Services Agency, Department of Aging, as to which the date is December 12, 2007.

Federal Grantor County Program Name Direct or Indirect (1)	Catalog of Federal Domestic Assistance Number (CFDA #)	Pass-Through Entity's Identifying Number (2)	Pass-Through Entity's Name	Disbursements/ Expenditures	Responsible County Department/Agency
Department (Dept.) of Agriculture					
Food Stamps Incentive (indirect)	10.551	1946001347 A7	CA Dept. of Social Services	\$ 34,506	Social Services Agency
Value of Food Stamps Issued (indirect)	10.551	1946001347 A7	CA Dept. of Social Services	93,575,448	Social Services Agency
Non-Assisted Food Stamp (indirect)	10.561	1946001347 A7	CA Dept. of Social Services	14,339,950	Social Services Agency
Non-Assisted Food Stamp-CalWIN (indirect)	10.561	1946001347 A7	CA Dept. of Social Services	1,594,365	Social Services Agency
Nutrition Network (indirect)	10.561	04-35455	CA Dept. of Social Services	266,399	Health Care Agency
Regional Nutrition Network (indirect)	10.561	04-35889	CA Dept. of Health Services	509,250	Health Care Agency
Subtotal 10.551 and 10.561 (Food Stamp Cluster)				110,319,918	
School Breakfast, Lunch, and Milk Program (indirect)	10.553	30-34306-9003500-1	CA Dept. of Education	1,149,910	Probation
Women, Infants, and Children (WIC) (indirect)	10.557	05-45780	CA Dept. of Health Services	4,887,581	Health Care Agency
Basic Meal Reimbursement - Orangewood (indirect)	10.558	1946001347 A7	CA Dept. of Social Services	136,285	Social Services Agency
Forestry Research (direct)	10.652			75,000	Resources & Development Management
Sierra Fire (direct)	10.UNKNOWN			18,912	Resources & Development Management
Subtotal - Dept. of Agriculture				116,587,606	
Dept. of Education					
English Literacy and Civics Education Grant (direct)	84.002			15,000	Orange County Public Library
Individuals with Disabilities Education Act (IDEA) (indirect)	84.027	06-14468-1030-01	Orange County Dept. of Education	11,076,007	Health Care Agency
Agents of Change (indirect)	84.186	SDF03-07	CA Dept. of Alcohol & Drug	148,378	Health Care Agency

Federal Grantor County Program Name Direct or Indirect (1)	Catalog of Federal Domestic Assistance Number (CFDA #)	Pass-Through Entity's Identifying Number (2)	Pass-Through Entity's Name	Disbursements/ Expenditures	Responsible County Department/Agency
Dept. of Education (Continued)					
Prevention Power (indirect)	84.186	SDF03-08	CA Dept. of Alcohol & Drug	\$ 147,569	Health Care Agency
Subtotal 84.186				295,947	
Subtotal - Dept. of Education				11,386,954	
Dept. of Health and Human Services					
Title VIIB-Elder Abuse Prevention (indirect)	93.041	AP 0607-22	CA Dept. of Aging	35,627	Housing & Community Services/ Office on Aging
Title VIIA-Ombudsman (indirect)	93.042	AP 0607-22	CA Dept. of Aging	111,496	Housing & Community Services/ Office on Aging
Title IIID-Preventive Health (indirect)	93.043	AP 0607-22	CA Dept. of Aging	142,561	Housing & Community Services/ Office on Aging
Title IIIB-Senior Supportive Services (indirect)	93.044	AP 0607-22	CA Dept. of Aging	2,220,297	Housing & Community Services/ Office on Aging
Title IIIC1-Congregate Meals for Seniors (indirect)	93.045	AP 0607-22	CA Dept. of Aging	1,510,313	Housing & Community Services/ Office on Aging
Title IIIC2-Home Delivered Meals for Seniors (indirect)	93.045	AP 0607-22	CA Dept. of Aging	2,066,680	Housing & Community Services/ Office on Aging
NSIP Title IIIC1 - Nutrition Services Incentive Program (indirect)	93.053	AP 0607-22	CA Dept. of Aging	332,574	Housing & Community Services/ Office on Aging
NSIP Title IIIC2 - Nutrition Services Incentive Program (indirect)	93.053	AP 0607-22	CA Dept. of Aging	740,585	Housing & Community Services/ Office on Aging
Subtotal 93.044, 93.045 & 93.053 (Aging Cluster)				6,870,449	
Nation Family Caregiver Support Program (indirect)	93.052	AP 0607-22	CA Dept. of Aging	996,415	Housing & Community Services/ Office on Aging
TB Local Assistance (Base Award) (indirect)	93.116		CA Dept. of Health Services	503,052	Health Care Agency

Federal Grantor County Program Name Direct or Indirect (1)	Catalog of Federal Domestic Assistance Number (CFDA #)	Pass-Through Entity's Identifying Number (2)	Pass-Through Entity's Name	Disbursements/ Expenditures	Responsible County Department/Agency
Dept. of Health and Human Services (Continued)					
Projects for Assistance in Transition from Homelessness (PATH) Grant (indirect)	93.150	SMX06000 5-06	CA Dept. of Mental Health	\$ 440,809	Health Care Agency
Childhood Lead Poisoning Prevention Program (CLPPP) (indirect)	93.197	05-45155	CA Dept. of Health Services	186,269	Health Care Agency
Family Planning Title X (Basic Contraceptives) (indirect)	93.217	6FPHPA092020	CA Family Health Council	201,659	Health Care Agency
Family Planning Title X (Centralized Data Systems Project) (indirect)	93.217	6FPHPA092020	CA Family Health Council	4,667	Health Care Agency
Family Planning Integration of HIV, Title X (indirect)	93.217	6FPHPA092020	CA Family Health Council	18,014	Health Care Agency
Subtotal 93.217				224,340	
Pediatric Immunization (indirect)	93.268	06-55189	CA Dept. of Health Services	596,627	Health Care Agency
Drug Free Community Support Program (indirect)	93.276	2 H79 SP12055-05	CA Health & Human Services Agency	55,475	Sheriff-Coroner
Pandemic Influenza Emergency Preparedness (indirect)	93.283		CA Dept. of Health Services	206,397	Health Care Agency
Public Health Preparedness & Response to Bioterrorism Grant (indirect)	93.283		CA Dept. of Health Services	3,135,425	Health Care Agency
Subtotal 93.283				3,341,822	
Breast Cancer Early Detection Program (BCEDP) (indirect)	93.394	01-16408	CA Dept. of Health Services	18,000	Health Care Agency
Family Preservation (indirect)	93.556	1946001347 A7	CA Dept. of Social Services	2,604,538	Social Services Agency
Promoting Safe and Stable Families (direct)	93.556			33,426	Social Services Agency
Subtotal 93.556				2,637,964	
Cal Works (Admin) (indirect)	93.558	1946001347 A7	CA Dept. of Social Services	81,981,103	Social Services Agency

Federal Grantor County Program Name Direct or Indirect (1)	Catalog of Federal Domestic Assistance Number (CFDA #)	Pass-Through Entity's Identifying Number (2)	Pass-Through Entity's Name	Disbursements/ Expenditures	Responsible County Department/Agency
Dept. of Health and Human Services (Continued)					
Cal Works-CalWIN (indirect)	93.558	1946001347 A7	CA Dept. of Social Services	\$ 2,141,580	Social Services Agency
Cal Works (indirect)	93.558	1946001347 A7	CA Dept. of Social Services	88,620,678	Social Services Agency
Subtotal 93.558				172,743,361	
Child Support Enforcement Program (indirect)	93.563	06-059	CA Dept. of Child Support Services	38,402,740	Child Support Services
Support Enforcement Incentive Fund (indirect)	93.563	06-059	CA Dept. of Child Support Services	3,360,106	Child Support Services
Subtotal 93.563				41,762,846	
Refugee Cash Assistance (indirect)	93.566	1946001347 A7	CA Dept. of Social Services	35,947	Social Services Agency
		RESS 0405, RESS			
Refugee Employment Social Services (indirect)	93.566	0505, RESS 0605	CA Dept. of Social Services	400,064	Social Services Agency
Welfare Aid to Refugees-CalWIN (indirect)	93.566	1946001347 A7	CA Dept. of Social Services	49,875	Social Services Agency
Welfare Aid to Refugees (indirect)	93.566	1946001347 A7	CA Dept. of Social Services	289,692	Social Services Agency
Subtotal 93.566				775,578	
Refugee Health Assessment Program (indirect)	93.567	05-30-9460-1	CA Dept. of Health Services	107,197	Health Care Agency
Refugee Health Assessment Program (indirect)	93.567	06-30-9460-1	CA Dept. of Health Services	228,357	Health Care Agency
Subtotal 93.567				335,554	
Refugee Family Enrichment Services (direct)	93.576			146,326	Social Services Agency
Targeted Assistance (indirect)	93.584	TAFO0402, TART0503 TARL0503, TARL0603	CA Dept. of Social Services	140,784	Social Services Agency
			Judicial Council of CA		
State Access to Visitation Program (indirect)	93.597	1009792	Administrative Office of the Courts	120,159	Superior Court

Federal Grantor County Program Name Direct or Indirect (1)	Catalog of Federal Domestic Assistance Number (CFDA #)	Pass-Through Entity's Identifying Number (2)	Pass-Through Entity's Name	Disbursements/ Expenditures	Responsible County Department/Agency
Dept. of Health and Human Services (Continued)					
Election Assistance for Individuals with Disabilities (EAID) (indirect)	93.617	05GREAID30	CA Secretary of State	\$ 268,491	Registrar of Voters
Child Welfare System Title IVB (indirect)	93.645	1946001347 A7	CA Dept. of Social Services	1,633,790	Social Services Agency
Welfare Aid to Children in Boarding Homes (indirect)	93.658	1946001347 A7	CA Dept. of Social Services	27,802,819	Social Services Agency
Children Welfare System Title IV E (indirect)	93.658	1946001347 A7	CA Dept. of Social Services	35,824,005	Social Services Agency
Children Welfare System Title IV E (indirect)	93.658	1946001347 A7	CA Dept. of Social Services	6,900,000	Probation
Subtotal 93.658				70,526,824	
Adoptions (indirect)	93.659	1946001347 A7	CA Dept. of Social Services	2,713,539	Social Services Agency
Social Services Block Grant (indirect)	93.667	1946001347 A7	CA Dept. of Social Services	4,344,308	Social Services Agency
Independent Living Skills (indirect)	93.674	1946001347 A7	CA Dept. of Social Services	752,512	Social Services Agency
California Children Services (CCS) Healthy Families (indirect)	93.767		CA Dept. of Health Services	1,682,356	Health Care Agency
Title XXI State Children's Insurance Program (SCHIP) (indirect)	93.767	1946001347 A7	CA Dept. of Social Service	417,069	Social Services Agency
Subtotal 93.767				2,099,425	
Retiree Medical Medicare Part D Subsidy (direct)	93.770			2,228,753	Human Resources / Employee Benefits
California Children Services (CCS) Medi-Cal (indirect)	93.778		CA Dept. of Health Services	3,843,808	Health Care Agency
Child Health and Disability Prevention (CHDP) Program Title XIX (indirect)	93.778		CA Dept. of Health Services	899,377	Health Care Agency
Children in Foster Care Title XIX - HCPCFC (indirect)	93.778		CA Dept. of Health Services	481,385	Health Care Agency
Children in Foster Care Title XIX - EPSDT (indirect)	93.778		CA Dept. of Health Services	94,133	Health Care Agency
Medi-Cal Administrative Activities (MAA) (indirect)	93.778	04-35071	CA Dept. of Health Services	2,819,301	Health Care Agency

Federal Grantor County Program Name Direct or Indirect (1)	Catalog of Federal Domestic Assistance Number (CFDA#)	Pass-Through Entity's Identifying Number (2)	Pass-Through Entity's Name	Disbursements/ Expenditures	Responsible County Department/Agency
Dept. of Health and Human Services (Continued)					
Medi-Cal Targeted Case Management (TCM) (indirect)	93.778	30-0407	CA Dept. of Health Services	\$ 5,538,554	Health Care Agency
Multipurpose Senior Services Program (indirect)	93.778	1946001347 A7	CA Dept. of Social Services	841,896	Social Services Agency
Medi-Cal-In Home Supportive Services (indirect)	93.778	1946001347 A7	CA Dept. of Social Services	3,215,233	Social Services Agency
Medi-Cal-CalWIN (indirect)	93.778	1946001347 A7	CA Dept. of Social Services	2,948,718	Social Services Agency
Medi-Cal (indirect)	93.778	1946001347 A7	CA Dept. of Social Services	47,551,517	Social Services Agency
Title XIX MEDICAID (indirect)	93.778	1946001347 A7	CA Dept. of Social Services	383,353	Social Services Agency
Subtotal 93.778				68,617,275	_
Health Care Financing Research, Demonstrations and Evaluations (indirect)	93.779	HI 0607-22	CA Dept. of Aging	98,910	Housing & Community Services/ Office on Aging
Health Resources and Service Administration (HRSA) Grant (indirect)	93.889	01-30-03-ORG	CA Dept. of Health Services	2,566,604	Health Care Agency
Ryan White Title I (direct)	93.914			4,630,581	Health Care Agency
Ryan White Title II (indirect)	93.917	03-75920	CA Dept. of Health Services	513,561	Health Care Agency
Ryan White Title III (HIV Primary Care) (direct)	93.918			708,180	Health Care Agency
Substance Abuse and Mental Health Services Administration (SAMHSA) (indirect)	93.958	06-B1CACMHS-03	CA Dept. of Mental Health	2,132,596	Health Care Agency
Alcohol & Drug Program (indirect)	93.959	NNA30	CA Dept. of Alcohol & Drug	18,853,891	Health Care Agency
Safe and Bright Futures for Children Initiative (direct)	93.990			63,611	Superior Court
Adolescent Family Life Program (AFLP) Title V and XIX (indirect)	93.994	2006-30	CA Dept. of Health Services	693,738	Health Care Agency
Maternal and Child Health (MCH) Allocation Title V and XIX (indirect)	93.994	2006-30	CA Dept. of Health Services	329,370	_ Health Care Agency

Federal Grantor County Program Name Direct or Indirect (1)	Catalog of Federal Domestic Assistance Number (CFDA #)	Pass-Through Entity's Identifying Number (2)	Pass-Through Entity's Name	Disbursements/ Expenditures	Responsible County Department/Agency
Dept. of Health and Human Services (Continued)					
Subtotal 93.994				\$ 1,023,108	
Subtotal - Dept. of Health and Human Services				415,961,473	
Dept. of Homeland Security					
FY05 Urban Areas Security Initiative (indirect)	97.008	2004-14	CA Office of Homeland Security	11,374	District Attorney
FY04 Urban Area Security Initiative (UASI) - Anaheim (indirect)	97.008	2004-45	CA Office of Emergency Services	95,383	Sheriff-Coroner
FY05 Urban Area Security Initiative (UASI) - Anaheim (indirect)	97.008	2005-0015	CA Office of Emergency Services	193,474	Sheriff-Coroner
FY04 Urban Area Security Initiative (UASI) - Santa Ana (indirect)	97.008	2004-45	CA Office of Emergency Services	1,736	Sheriff-Coroner
FY05 Urban Area Security Initiative (UASI) - Santa Ana (indirect)	97.008	2005-0015	CA Office of Emergency Services	695,291	Sheriff-Coroner
Subtotal 97.008				997,258	
Boating Safety and Enforcement Grant (indirect)	97.012	15.01.06	CA Dept. of Boating and Waterways	21,038	Sheriff-Coroner
2004-05 Storms (FEMA) (indirect)	97.039	059-00000	CA Office of Emergency Services	72,000	Resources & Development Management
1993 Flood (FEMA) (indirect)	97.039	059-00000	CA Office of Emergency Services	390,983	Resources & Development Management
2005 Storms (FEMA) (indirect)	97.039	059-00000	CA Office of Emergency Services	114,750	Resources & Development Management
Hurricane Katrina (FEMA) (indirect)	97.039	059-00000	CA Office of Emergency Services	1,251	Resources & Development Management
Subtotal 97.039				578,984	
FY05 Emergency Management Preparedness Grant (EMPG) (indirect)	97.042	2005-0015	CA Office of Emergency Services	364,366	Sheriff-Coroner

Federal Grantor County Program Name Direct or Indirect (1)	Catalog of Federal Domestic Assistance Number (CFDA #)	Pass-Through Entity's Identifying Number (2)	Pass-Through Entity's Name	Disbursements/ Expenditures	Responsible County Department/Agency
Dept. of Homeland Security (Continued)					
Fire Management Assistance Grant (direct)	97.046			\$ 142,150	Resources & Development Management
FY04 Citizen Corps Program (CCP) (indirect)	97.053	2004-45	CA Office of Emergency Services	113,629	Sheriff-Coroner
State Homeland Security Grant (indirect)	97.067	2004-0045	CA Office of Emergency Services	672,799	Health Care Agency
FY05 Metropolitan Medical Response System (MMRS) (indirect)	97.071	2005-0015	CA Office of Emergency Services	220,764	Sheriff-Coroner
Transportation Security Administration - National Explosives Detection Canine Team Program (direct)	97.072			151,000	John Wayne Airport
2003 State Homeland Security Grant Part II (indirect)	97.073	2003-35	CA Office of Emergency Services	478,573	Sheriff-Coroner
FY04 State Homeland Security Program (SHSP) (indirect)	97.073	2004-45	CA Office of Emergency Services	2,110,097	Sheriff-Coroner
FY05 State Homeland Security Program (SHSP) (indirect)	97.073	2005-0015	CA Office of Emergency Services	2,753,285	Sheriff-Coroner
FY06 State Homeland Security Program (SHSP) (indirect)	97.073	2006-0071	CA Office of Emergency Services	119,699	Sheriff-Coroner
Subtotal 97.073				5,461,654	
FY04 Law Enforcement Terrorism Prevention Plan (LETPP) (indirect)	97.074	2004-45	CA Office of Emergency Services	575,067	Sheriff-Coroner
FY05 Law Enforcement Terrorism Prevention Plan (LETPP) (indirect)	97.074	2005-0015	CA Office of Emergency Services	910,132	Sheriff-Coroner
Subtotal 97.074				1,485,199	
FY05 Buffer Zone Protection Plan (BZPP) (indirect)	97.078	2005-0015	CA Office of Emergency Services	533,421	Sheriff-Coroner
Transportation Security Administration - Law Enforcement Officers/Screening Checkpoints (direct)	97.HSTS01-04- A-LEF-087			565,428	John Wayne Airport
Subtotal - Dept. of Homeland Security				11,307,690	

Federal Grantor County Program Name Direct or Indirect (1)	Catalog of Federal Domestic Assistance Number (CFDA #)	Pass-Through Entity's Identifying Number (2)	Pass-Through Entity's Name	Disbursements/ Expenditures	Responsible County Department/Agency
Dept. of Housing and Urban Development					
Community Development Block Grant (direct)	14.218			\$ 9,295,065	Housing & Community Services
Emergency Shelter Grant Program (direct)	14.231			119,745	Housing & Community Services
Shelter Plus Care (direct)	14.238			3,143,349	Housing & Community Services
HOME Investment Partnership Act (direct)	14.239			7,936,177	Housing & Community Services
Housing Opportunities for Persons with AIDS (HOPWA) (indirect)	14.241		City of Santa Ana	819,750	Health Care Agency
Section 8 Housing Choice Vouchers (direct)	14.871			96,717,141	Housing & Community Services
Section 8 New Construction and Substantial Rehabilitation (direct)	14.182			2,479,340	Housing & Community Services
Subtotal - Dept. of Housing and Urban Development				120,510,567	
Dept. of the Interior					
Payments in Lieu of Taxes (PILT) (direct)	15.226			74,905	Auditor-Controller
Federal Forest Reserve Fund (indirect)	15.916	12-5955	CA Dept. of Transportation	34,178	Resources & Development Management
Subtotal - Dept. of the Interior				109,083	
Dept. of Justice					
Juvenile Sex Offender Management (direct)	16.203			15,307	Probation
Juvenile Accountability Block Grant (indirect)	16.523	CSA 144-06	Corrections Standards Authority	107,630	District Attorney

Federal Grantor County Program Name Direct or Indirect (1)	Catalog of Federal Domestic Assistance Number (CFDA#)	Pass-Through Entity's Identifying Number (2)	Pass-Through Entity's Name	Disbursements/ Expenditures	Responsible County Department/Agency
Dept. of Justice (Continued)					
Juvenile Accountability Block Grant (indirect)	16.523	CSA 144-06	Corrections Standards Authority	\$ 5,531	Probation
Juvenile Accountability Block Grant (indirect)	16.523	CSA 144-05	Corrections Standards Authority	27,805	Health Care Agency
Subtotal 16.523				140,966	
Solving Cold Cases with DNA (direct)	16.560			85,607	Sheriff-Coroner
DNA Expansion Demonstration Program (direct)	16.560			366,661	Sheriff-Coroner
Forensic Casework DNA Backlog Reduction Program (direct)	16.560			50,811	Sheriff-Coroner
2004 DNA Capacity Enhancement Program (direct)	16.560			53,345	Sheriff-Coroner
2005 DNA Capacity Enhancement Program (direct)	16.560			122,010	Sheriff-Coroner
Subtotal 16.560				678,434	
Child Abuse Treatment Services (indirect)	16.575	AT05020300, AT06030300	CA Office of Emergency Services	177,347	Social Services Agency
Victim Witness Assistance Program (indirect)	16.575	VW06250300	CA Office of Emergency Services	533,317	Superior Court
Gang Victim Services-Special Emphasis (indirect)	16.575	SE06160300	CA Office of Emergency Services	108,543	Superior Court
Subtotal 16.575				819,207	
Residential Substance Abuse Treatment (RSAT) (indirect)	16.593	RT05060300	CA Office of Emergency Services	135,288	Probation
Residential Substance Abuse Treatment (RSAT) (indirect)	16.593	RT05060300	CA Office of Emergency Services	44,712	Health Care Agency
Subtotal 16.593				180,000	
Care of Federal Prisoners - U.S. Marshal (direct)	16.602			4,292	Sheriff-Coroner
State Criminal Alien Assistance Program (direct)	16.606			2,713,257	Sheriff-Coroner
State Criminal Alien Assistance Program (direct)	16.606			722,425	Resources & Development Management

Federal Grantor County Program Name Direct or Indirect (1)	Catalog of Federal Domestic Assistance Number (CFDA #)	Pass-Through Entity's Identifying Number (2)	Pass-Through Entity's Name	Disbursements/ Expenditures	Responsible County Department/Agency
Dept. of Justice (Continued)					
Subtotal 16.606 (3)				\$ 3,435,682	
2006 Bulletproof Vest Partnership (direct)	16.607			54,630	Sheriff-Coroner
Project Safe Neighborhoods (PSN) (indirect)	16.609	US05D20300	CA Office of Emergency Services	32,578	District Attorney
Anti-Drug Abuse Enforcement Program (indirect)	16.738	DC 06170300	CA Office of Emergency Services	350,619	Sheriff-Coroner
Anti-Drug Abuse Enforcement Program (indirect)	16.738	DC 06170300	CA Office of Emergency Services	150,644	District Attorney
Anti-Drug Abuse Enforcement Program (indirect)	16.738	DC 06170300	CA Office of Emergency Services	7,600	Probation
2005 Edward Byrne Memorial Justice Assistance Grant (JAG) Program (direct)	16.738			2,328	Sheriff-Coroner
2006 Edward Byrne Memorial Justice Assistance Grant (JAG) Program (direct)	16.738			6,000	District Attorney
2006 Edward Byrne Memorial Justice Assistance Grant (JAG) Program (direct)	16.738			8,800	Probation
2006 Edward Byrne Memorial Justice Assistance Grant (JAG) Program (direct)	16.738			10,371	Sheriff-Coroner
Subtotal 16.738				536,362	
2005 Coverdell National Forensic Science Improvement Act (indirect)	16.742	CQ05040300	CA Office of Emergency Services	96,048	Sheriff-Coroner
DOJ-FBI-OCJTTF - Overtime FY 04-05 (direct)	16.UNKNOWN			58,874	Sheriff-Coroner
DOJ-FBI-Southern California Regional Sexual Assault Felony Enforcement (SAFE) Team (direct)	16.UNKNOWN			3,010	Sheriff-Coroner
High Intensity Drug Trafficking Area (HIDTA) (direct)	16.UNKNOWN			1,174,518	Sheriff-Coroner
Regional Narcotics Suppression Program (RNSP) Forfeitures (direct)	16.UNKNOWN			2,875,373	Sheriff-Coroner

Federal Grantor County Program Name Direct or Indirect (1)	Catalog of Federal Domestic Assistance Number (CFDA #)	Pass-Through Entity's Identifying Number (2)	Pass-Through Entity's Name	Disbursements/ Expenditures	Responsible County Department/Agency
Dept. of Justice (Continued)					
Regional Narcotics Suppression Program (RNSP) Consolidated Priority Organization Targets (CPOT) Grant (direct)	16.UNKNOWN			\$ 89,231	Sheriff-Coroner
Sheriff's Narcotic Program (SNP) Forfeitures (direct)	16.UNKNOWN			98,372	Sheriff-Coroner
Southwest Border Prosecution Initiative (SWBPI) (direct) (3)	16.UNKNOWN			235,250	Sheriff-Coroner
Southwest Border Prosecution Initiative (SWBPI) (direct) (3)	16.UNKNOWN			654,666	District Attorney
Department of Justice Forfeiture Program (direct)	16.UNKNOWN			68,622	District Attorney
Subtotal 16.UNKNOWN				5,257,916	
Subtotal - Dept. of Justice				11,251,422	
Dept. of Labor					
Senior Community Services Employment Program (2005) (indirect)	17.235	AD-14135-04-60	Senior Services America, Inc.	3,375	Housing & Community Services/ Community Investment
Title V - Senior Community Services Employment Program (indirect)	17.235	TV-0607-22	CA Dept. of Aging	573,124	Housing & Community Services/ Office on Aging
Subtotal 17.235				576,499	
Workforce Investment Act Title I Adult (2004) (indirect)	17.258	R588741	CA Employment Development Dept.	9,279	Housing & Community Services/ Community Investment
Workforce Investment Act Title I Adult (2005) (indirect)	17.258	R692492	CA Employment Development Dept.	261,668	Housing & Community Services/ Community Investment
Workforce Investment Act Title I Adult (2006) (indirect)	17.258	R760340	CA Employment Development Dept.	2,654,330	Housing & Community Services/ Community Investment

Federal Grantor County Program Name Direct or Indirect (1)	Catalog of Federal Domestic Assistance Number (CFDA #)	Pass-Through Entity's Identifying Number (2)	Pass-Through Entity's Name	Disbursements/ Expenditures	Responsible County Department/Agency
Dept. of Labor (Continued)					
Workforce Investment Act Title I Youth (2005) (indirect)	17.259	R692492	CA Employment Development Dept.	\$ 221,211	Housing & Community Services/ Community Investment
Workforce Investment Act Title I Youth (2006) (indirect)	17.259	R760340	CA Employment Development Dept.	2,427,958	Housing & Community Services/ Community Investment
Workforce Investment Act Title I Dislocated Worker (2004) (indirect)	17.260	R588741	CA Employment Development Dept.	11,132	Housing & Community Services/ Community Investment
Workforce Investment Act Title I Dislocated Worker (2005) (indirect)	17.260	R692492	CA Employment Development Dept.	451,317	Housing & Community Services/ Community Investment
Workforce Investment Act Title I Dislocated Worker (2006) (indirect)	17.260	R760340	CA Employment Development Dept.	4,510,645	Housing & Community Services/ Community Investment
Subtotal 17.258, 17.259, and 17.260 (WIA Cluster)				10,547,540	
DOL - High Growth Job Training (direct) Subtotal - Dept. of Labor	17.261			<u>325,397</u> 11,449,436	Housing & Community Services/ Community Investment
Dept. of Transportation					
Airport Improvement Programs 0233-30, 32, 33, 34, 35, 36 (direct)	20.106			3,122,721	John Wayne Airport
Transportation Equity Act for the 21st Century (TEA-21) (indirect)	20.205	12-5955	CA Dept. of Transportation	158,878	Resources & Development Management
Transportation Equity Act for the 21st Century (TEA-21) (indirect) HBP	20.205	12-5955	CA Dept. of Transportation	46,928	Resources & Development Management

Federal Grantor County Program Name Direct or Indirect (1)	Catalog of Federal Domestic Assistance Number (CFDA #)	Pass-Through Entity's Identifying Number (2)	Pass-Through Entity's Name	Disbursements/ Expenditures	Responsible County Department/Agency
Dept. of Transportation (Continued)					
Subtotal 20.205				\$ 205,806	_
DUI Vertical Prosecution Program (indirect)	20.600	AL0667	CA Office of Traffic Safety	230,453	District Attorney
DUI Court Grant (indirect)	20.600	AL0747	CA Office of Traffic Safety	123,026	Superior Court
DUI Court Grant (indirect)	20.600	AL0554	CA Office of Traffic Safety	155,902	Superior Court
OTS-Avoid South County Regional DUI Task Force (indirect)	20.600	AL0555	CA Office of Traffic Safety	105,206	Sheriff-Coroner
OTS-Avoid South 10 DUI Campaign (indirect)	20.600	AL0724	CA Office of Traffic Safety	66,374	Sheriff-Coroner
Portable Evidential Breath Test (PEBT) Devices Follow-On Program (indirect)	20.600	AL0604	CA Office of Traffic Safety	148,874	_ Sheriff-Coroner
Subtotal 20.600				829,835	_
Subtotal - Dept. of Transportation				4,158,362	_
Environmental Protection Agency					
BEACH Act Grant (indirect)	66.472	03-76010	CA Dept. of Health Services	25,000	Health Care Agency
Local Oversight Program (indirect)	66.805	03-015-250-0	CA Water Resources Control Board	317,076	Health Care Agency
Subtotal - Environmental Protection Agency				342,076	_
Election Assistance Commission					
Help America Vote Act (HAVA): Retrofit Direct Record Election Voting System Equipment (indirect)	90.401	05GR301030	CA Secretary of State	12,121,875	Registrar of Voters
Help America Vote Act (HAVA): Absentee Ballot Mailing System (indirect)	90.401	05GR301030	CA Secretary of State	818,888	_ Registrar of Voters
Subtotal - Election Assistance Commission				12,940,763	_

Schedule of Expenditures of Federal Awards For The Year Ended June 30, 2007

Federal Grantor County Program Name Direct or Indirect (1)	Catalog of Federal Domestic Assistance Number (CFDA #)	Pass-Through Entity's Identifying Number (2)	Pass-Through Entity's Name		ursements/ penditures	Responsible County Department/Agency
Institute of Museum and Library Services						
Library Services and Technology Act Staff Education Program (indirect)	45.310	40-6635	California State Library	\$	7,387	Orange County Public Library
Library Services and Technology Act Early Learning with Families (indirect)	45.310	40-6733	California State Library		5,000	Orange County Public Library
Library Services and Technology Act Local History Digital Resources Project (indirect)	45.310	40-6602	California State Library		3,300	Orange County Public Library
Subtotal - Institute of Museum and Library Services					15,687	
Treasury						
Department of the Treasury Asset Forfeiture Program (direct)	21.UNKNOWN				232	District Attorney
Grand Total				\$ 7	716,021,351	

LEGEND:

- (1) Indirect refers to Federal monies passed through various nonfederal agencies, primarily State of California agencies.
- (2) The State of California does not assign a pass-through identification number for certain programs passed to the County.

 Accordingly, a pass-through identification number is not listed for certain indirect programs.
- (3) The SCAAP and SWBPI programs are formula based and revenue for the year is being reported.
- See accompanying Notes to Schedule of Expenditures of Federal Awards, Supplementary Schedule of Categorical Expenditure
 Distribution for the Correction Standards Authority and Office of Emergency Services Grant Programs and Schedule of Grant
 Expenditures for Grants provided by the California Health and Human Services Agency, Department of Aging.

Supplementary Schedule of Categorical Expenditure Distribution for the Correction Standards Authority and Office of Emergency Services Grant Programs

For The Year Ended June 30, 2007

				Cat	egorical Expenditure Distri	ibution	-	
Program Name	CFDA Grant Number Number		_ ,	Personal Services	Operating Expenses	Equipment	Total	
Juvenile Accountability Block Grant	16.523	CSA144-06	Federal Match	\$ 137,424 15,269 152,693	\$ 3,542 394 3,936	\$ - - -	\$	140,966 15,663 156,629
Child Abuse Treatment Services (CHAT)	16.575	AT06030300	Federal Match	- - -	158,329 39,582 197,911			158,329 39,582 197,911
Child Abuse Treatment Services (CHAT)	16.575	AT05020300	Federal Match	- - -	19,018 4,755 23,773			19,018 4,755 23,773
Gang Victim Services - Special Emphasis	16.575	SE06160300	Federal Match	96,329 21,195 117,524	12,214 5,941 18,155			108,543 27,136 135,679
Victim Witness Assistance Program	16.575	VW06250300	Federal State	533,317 342,302 875,619	157,117 157,117			533,317 499,419 1,032,736
Residential Substance Abuse Treatment (RSAT)	16.593	RT05060300	Federal Match	169,200 60,000 \$ 229,200	10,800 - \$ 10,800	<u>-</u> -	\$	180,000 60,000 240,000

Supplementary Schedule of Categorical Expenditure Distribution for the Correction Standards Authority and Office of Emergency Services Grant Programs

For The Year Ended June 30, 2007

			-	Categorical Expenditure Distribution					
Program Name	CFDA Number	Grant Number	Personal Services		Operating Expenses	Equipment	Total		
2005 Coverdell National Forensic Science Improvement Program (1)	16.742	CQ05040300	\$	- \$	\$ 96,048	\$ -	\$ 96,048		
Anti-Drug Abuse Enforcement Program (1)	16.738	DC06170300		374,288	134,575	-	508,863		
Project Safe Neighborhoods (PSN) Program (1)	16.609	US05D20300		30,478	2,100	-	32,578		
Vertical Prosecution Program (2)		VB06040300		764,006	34,373	-	798,379		
CAL-MMET Program (2)		MH06010300	\$	27,139 2,570,947 \$	16,083 694,871	\$ 54,619 \$ 54,619	97,841 \$ 3,320,437		

See accompanying Notes to Schedule of Expenditures of Federal Awards, Supplementary Schedule of Categorical Expenditure Distribution for the Correction Standards Authority and Office of Emergency Services Grant Programs and Schedule of Grant Expenditures for Grants Provided by the California Health and Human Services Agency, Department of Aging.

⁽¹⁾ Federal = 100%

⁽²⁾ State = 100%

Supplementary Schedule of Grant Expenditures For Grants Provided by the California Health and Human Services Agency, Department of Aging

For The Year Ended June 30, 2007

	Grant Award				Expenditures			
Grantor County Program Name Direct or Indirect	Catalog of Federal Domestic Assistance Number (CFDA #)	Pass-Through Entity's Identifying Number	Federal	State	Total	Federal	State	Total
U.S. Department of Health and Human Services								
Pass-through the California Department of Aging:								
Title VIIB - Elder Abuse Prevention (indirect)	93.041	AP 0607-22	\$ 35,627 \$	1,597 \$	37,224	\$ 35,627 \$	1,597 \$	37,224
Title VIIA - Ombudsman (indirect)	93.042	AP 0607-22	111,496	16,980	128,476	111,496	16,980	128,476
Title IIID - Preventive Health (indirect)	93.043	AP 0607-22	142,561	6,345	148,906	142,561	6,345	148,906
Title IIIB - Senior Supportive Services (indirect)	93.044	AP 0607-22	2,220,297	420,703	2,641,000	2,220,297	420,703	2,641,000
Title IIIC1 - Congregate Meals for Seniors (indirect)	93.045	AP 0607-22	1,510,313	85,255	1,595,568	1,510,313	85,255	1,595,568
Title IIIC2 - Home Delivered Meals for Seniors (indirect)	93.045	AP 0607-22	2,066,680	99,194	2,165,874	2,066,680	99,194	2,165,874
NSIP Title IIIC1 -Nutrition Services Incentive Program (indirect)	93.053	AP 0607-22	332,574	-	332,574	332,574	-	332,574
NSIP Title IIIC2 -Nutrition Services Incentive Program (indirect)	93.053	AP 0607-22	740,585	-	740,585	740,585	-	740,585
Subtotal 93.044, 93.045 & 93.053 (Aging Cluster)			6,870,449	605,152	7,475,601	6,870,449	605,152	7,475,601
National Family Caregiver Support Program (indirect) Health Care Financing Research, Demonstrations and	93.052	AP 0607-22	1,060,966	-	1,060,966	996,415	-	996,415
Evaluations (indirect)	93.779	HI 0607-22	98,910	410,595	509,505	98,910	410,595	509,505
Total U.S. Department of Health and Human Services			8,320,009	1,040,669	9,360,678	8,255,458	1,040,669	9,296,127
U.S. Department of Labor Pass-through the California Department of Aging: Title V - Senior Community Services Employment Program (indirect)	17.235	TV-0607-22	689,714	247,470	937,184	573,124	114,713	687,837
California Health and Human Services Agency, Department of Aging: Community Based Service Programs			_	388,865	388,865	_	388,865	388,865
Ombudsman Volunteer Recruitment Initiative			_	95,561	95,561	_	95,561	95,561
Total California Health and Human Services Agency			-	484,426	484,426	-	484,426	484,426
Total			\$ 9,009,723 \$	1,772,565 \$	10,782,288	\$ 8,828,582 \$	1,639,808 \$	10,468,390

See accompanying Notes to the Schedule of Federal Awards, Supplementary Schedule of Categorical Expenditure Distribution for the Correction Standards Authority and Office of Emergency Services Grants Programs and Schedule of Grant Expenditures for Grants Provided by the California Health and Human Services Agency, Department of Aging.

Notes to Schedule of Expenditures of Federal Awards, Supplementary Schedule of Categorical Expenditure Distribution for the Correction Standards Authority and Office of Emergency Services Grant Programs and Schedule of Grant Expenditures For Grants Provided by the California Health and Human Services Agency,

Department of Aging

For the Year Ended June 30, 2007

1. GENERAL

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs of the County of Orange, California (County) including the Orange County Housing Authority and Development Agency. Federal awards received directly from federal agencies as well as federal awards passed through other nonfederal agencies, primarily the State of California, are included on the schedule. The County's reporting entity is defined in Note 1 to the County's basic financial statements.

2. BASIS OF ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting except for programs recorded in the County's enterprise funds, which are presented using the accrual basis of accounting, which is described in Note 1 to the County's basic financial statements.

3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

Federal award expenditures agree or can be reconciled with the amounts reported in the County's basic financial statements.

4. RELATIONSHIP TO FEDERAL FINANCIAL REPORTS

Amounts reported in the accompanying Schedule of Expenditures of Federal Awards are in material agreement with the amounts reported in the related federal financial reports for the federal award programs.

5. CORRECTION STANDARDS AUTHORITY AND OFFICE OF EMERGENCY SERVICES GRANT PROGRAMS

At the request of the Correction Standards Authority and State of California Office of Emergency Services, the categorical expenditure distribution for their grant programs is included as a supplementary schedule on pages 21 and 22.

6. CALIFORNIA HEALTH AND HUMAN SERVICES AGENCY, DEPARTMENT OF AGING

At the request of the California Health and Human Services Agency, Department of Aging, the schedule of grant expenditures for their grant programs is included as a supplementary schedule on page 23.

Notes to Schedule of Expenditures of Federal Awards, Supplementary Schedule of Categorical Expenditure Distribution for the Correction Standards Authority and Office of Emergency Services Grant Programs and Schedule of Grant Expenditures For Grants Provided by the California Health and Human Services Agency, Department of Aging (Continued)

For the Year Ended June 30, 2007

7. PASS-THROUGH AWARDS TO SUBRECIPIENTS

Included in the total expenditures of federal awards are the following amounts passed through to subrecipients:

	Catalog of	Amount Provided
	Federal Domestic	to Subrecipients
	Assistance	For the Year Ended
County Program Title	Number	June 30, 2007
Regional Nutrition Network (5 a Day – Power Day) Regional Nutrition Network (Latino 5 a Day – Power	10.561	\$ 106,552
Play)	10.561	125,575
Regional Nutrition Network (Physical Activity Specialist)	10.561	58,518
Nutrition Network (Seals on Wheels)	10.561	12,345
Community Development Block Grant	14.218	4,758,847
Emergency Shelter Grant Program	14.231	111,392
HOME Investment Partnership Act	14.239	120,000
Housing Opportunities for Persons with AIDS (HOPWA)	14.241	764,520
Section 8 Housing Choice Vouchers	14.871	399,646
Federal Forest Reserve Fund	15.916	17,089
Child Abuse Treatment Services	16.575	177,347
Victim Witness Assistance Program	16.575	533,317
Gang Victim Services – Special Emphasis	16.575	108,543
Anti-Drug Abuse Enforcement Program	16.738	12,109
RNSP Asset Forfeitures	16.UNKNOWN	1,000,000
Senior Community Services Employment Program	17.235	3,375
Title V – Senior Employment Program	17.235	545,479
WIA - Adult Program	17.258	1,800,822
WIA – Youth Activities	17.259	1,660,493
WIA – Dislocated Worker	17.260	3,115,078
DOL – H-1B High Growth Job Training Grants	17.261	167,000
Individuals with Disabilities Education Act (IDEA)	84.027	3,544,322
Agents of Change	84.186	148,378
Prevention Power	84.186	147,569
Title VIIB – Elder Abuse Prevention	93.041	35,627
Title VIIA – Ombudsman	93.042	111,496
Title IIIB – Senior Supportive Services	93.044	1,768,918
1.1	-	,,

Notes to Schedule of Expenditures of Federal Awards, Supplementary Schedule of Categorical Expenditure Distribution for the Correction Standards Authority and Office of Emergency Services Grant Programs and Schedule of Grant Expenditures For Grants Provided by the California Health and Human Services Agency, Department of Aging (Continued)

For the Year Ended June 30, 2007

7. PASS-THROUGH AWARDS TO SUBRECIPIENTS (CONTINUED)

County Program Title	Catalog of Federal Domestic Assistance Number	Amount Provided to Subrecipients For the Year Ended June 30, 2007
County 1 Togram Title	Number	<u> </u>
Nation Family Caregiver Support Program	93.052	\$ 734,914
Title III C1 – Congregate Meals or Seniors	93.045	1,273,381
Title III C2 – Home Delivered Meals for Seniors	93.045	1,938,334
NSIP Title III C1 – Nutrition Services Incentive Program	93.053	332,574
NSIP Title III C2 – Nutrition Services Incentive Program	93.053	740,585
Projects for Assistance in Transition from Homelessness Grant	93.150	440,809
Pediatric Immunization	93.268	79,814
Promoting Safe and Stable Families	93.556	33,426
Refugee Employment Social Services	93.566	375,554
Refugee Family Enrichment Services	93.576	146,326
Targeted Assistance	93.584	111,656
Medi-Cal Targeted Case Management (TCM)	93.778	1,438,288
Medi-Cal Administrative Activities (MAA)	93.778	2,035,706
Health Care Financing Research, Demonstrations and Evaluations	93.779	89,918
Ryan White Title I	93.914	2,527,656
·	90.914	2,321,030
Substance Abuse and Mental Health Services Administration (SAMSHA)	93.958	1,201,367
Alcohol & Drug Program	93.959	10,040,978
Maternal and Child Health (MCH) Allocation Title V (XIX) 05 Emergency Management Preparedness Grant	93.994	10,172
(EMPG)	97.042	172,183
04 Citizen Corps Program (CCP)	97.053	65,565
05 Metropolitan Medical Response System (MMRS)	97.071	220,764
04 State Homeland Security Program (SHSP)	97.073	82,980
05 State Homeland Security Program (SHSP) 04 Law Enforcement Terrorism Prevention Plan	97.073	574,516
(LETPP)	97.074	168,342
05 Buffer Zone Protection Plan (BZPP)	97.078	388,660
		\$ 46,578,825

Notes to Schedule of Expenditures of Federal Awards, Supplementary Schedule of Categorical Expenditure Distribution for the Correction Standards Authority and Office of Emergency Services Grant Programs and Schedule of Grant Expenditures For Grants Provided by the California Health and Human Services Agency, Department of Aging (Continued)

For the Year Ended June 30, 2007

8. OUTSTANDING LOANS OF FEDERAL FUNDS

The following schedule presents the amount of outstanding loans by CFDA number. All loans are provided by the U.S. Department of Housing and Urban Development (HUD) and are included on the accompanying Schedule of Expenditures of Federal Awards:

CFDA No.	Federal Program		Outstanding Loans at June 30, 2007		Prior Year Loans with Continuing Compliance Requirements		New Loans in fiscal year ended June 30, 2007	
14.218	Community Development Block Grant	\$	3,304,457	\$	3,304,457	\$	-	
14.239	HOME Investment Partnership Act		7,598,339		5,967,639		1,630,700	

Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2007

Summary of Auditor's Results Section I

FINANCIAL STATEMENTS

Type of auditor's report issued on the basic financial statements of the County: Unqualified

Internal control over financial reporting:

Material weakness(es) identified? No

Significant deficiencies identified that are not considered to be material weaknesses?

None reported

Noncompliance material to the financial statements

noted?

FEDERAL AWARDS

Internal control over major programs:

Material weakness(es) identified? No

Significant deficiencies identified that are not considered to be material weaknesses?

Yes

Yes

No

Type of auditor's report issued on compliance for major programs:

Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB

Circular A-133?

Identification of major programs:

CFDA number(s)	Name of Federal Program or Cluster					
10.557	Women, Infants, and Children					
14.218	Community Development Block Grant					
14.238	Shelter Plus Care					
14.871	Section 8 Housing Choice Vouchers					
17.258, 17.259, 17.260	Workforce Investment Act Cluster					
90.401	Help America Vote Act					
93.283	Public Health Preparedness & Response to Bioterrorism					
93.558	Temporary Assistance for Needy Families					
93.563	Child Support Enforcement Program					
93.667	Social Services Block Grant					
93.959	Alcohol & Drug Program					
97.073	State Homeland Security Program					

Schedule of Findings and Questioned Costs (Continued)

For the Year Ended June 30, 2007

Section I Summary of Auditor's Results (Continued)

Dollar threshold used to distinguish between type A and

type B programs: \$3,000,000

Auditee qualified as a low-risk auditee? Yes

Section II Financial Statement Findings

No matters were reported.

Section III Federal Award Findings and Questioned Costs

Finding 07-01:

CFDA Title and Number: Temporary Assistance for Needy Families (TANF), CFDA #93.558

Federal Agency: U.S. Department of Health and Human Services

Pass-through Agency: California Department of Social Services

Award Year: June 30, 2007

Compliance: Special Tests and Provisions – Income Eligibility and Verification

System

Condition

Per *OMB A-133 Compliance Supplement* Part IV for CFDA #93.558, TANF/CalWORKs cases subject to the Income Eligibility and Verification System (IEVS) should use the IEVS by properly considering the information obtained from the data matching in determining eligibility in accordance with the State Plan and the amount of TANF benefits.

Per the State Plan, the current federal rule prescribes that the IEVS match follow-up shall be completed within 45 days of the date the state agency completes the match.

During our audit test work performed to determine whether the County has implemented the required IEVS for employment data matching, and verification and use of such data, we noted the following in our sample of forty (40) participant files:

Earnings Clearance System (ECS)

 Nineteen (19) ECS reports were not completed within forty-five (45) days from the match date, however they were subsequently reviewed.

New Hire Registry (NHR)

- Two (2) case files were missing the NHR410 Report, therefore, discrepancy and date of review cannot be determined.
- Ten (10) case files were not reviewed within 45 days from the match date, however were subsequently reviewed.

Schedule of Findings and Questioned Costs (Continued)

For the Year Ended June 30, 2007

Section III Federal Award Findings and Questioned Costs (Continued)

Finding 07-01 (Continued)

Questioned Costs

\$ 51,584 of questioned costs is based on the individual errors noted in our sample.

Recommendation

We recommend the County strengthen its review process over the maintenance of documentation enforcing the federal requirement of timely reviews and adequate documentation.

Management Response

Earnings Clearance System (ECS)

County Policy

Orange County Social Services Agency IEVS Worker Tool Handbook, Integrated Fraud Detection System-Earnings Clearance (IFD-ECS), WT Number B2, instructs specialized IEVS staff to complete review of the ECS report within 45 days of the match date. Review includes case review, reconciliation of reported wages, fraud confrontation interview, initiation of change in benefits, overpayment calculation, and discontinuance for noncompliance.

Cause of Error

Orange County Social Services Agency is dedicated to processing each of its CalWORKs cases in a timely and accurate manner. This is demonstrated by the Agency's quality assurance practices including:

- Formal case reviews by supervisory staff of a sample of CalWORKs cases.
- Formal case reviews by Quality Assurance staff of a sample of CalWORKs cases.
- Informal case reviews by supervisory staff on an "as needed" basis according to recipient requests, employee development, or other factors.

All public administrative bodies acknowledge that certain levels of processing errors are inevitable and occur for several reasons.

In the retrospective budgeting environment benefits would be recalculated monthly to determine incorrect payments. The IEVS reports were viable tool to identify potential incorrect payments. However, with the implementation of quarterly reporting the regulations changed and the only time the IEVS reports are viable to identify potential erroneous payments is when the income is totally unreported.

Schedule of Findings and Questioned Costs (Continued)

For the Year Ended June 30, 2007

Section III Federal Award Findings and Questioned Costs (Continued)

Finding 07-01 (Continued)

County Action

Orange County Social Services Agency appreciates the observations and recommendations of this audit regarding IEVS Integrated Fraud Detection-Earnings Clearance. The Agency will continue its effort to reduce untimely processing of these reports. These efforts will include:

- 1. Reminder to CalWORKs specialized IEVS staff about IEVS Handbook WT Number B2. The IEVS Coordinator reviewed WT Number B2 with the specialized staff in July 2007.
 - The need to process Earnings Clearance reports within 45 days of the match date.
 - The proper signing of the reports.
 - The proper filing of the reports in the case record.
- 2. The IEVS Coordinator conducts monthly meetings with the supervisors of specialized staff.
- 3. The IEVS Coordinator attends the following meetings in Sacramento in order to participate in statewide discussion of policy and system impacts, and best practices.
 - CalWIN Project IEVS Monthly Workgroup
 - Statewide Quarterly IEVS Users
- 4. An IEVS Management Workgroup meets monthly and includes staff from Program Integrity, Program and Operations from the Administrative, Family Self-Sufficiency, and Adult Services and Assistance Programs divisions. The purpose of the workgroup is to evaluate and revise processes to meet current business needs.
- 5. Additional staffing has been secured to process the IFD-ECS reports.
 - 8 additional staff have been assigned to specialized IEVS units to process current IFD-ECS reports.
 - 6 additional extra help staff were secured to process the backlog of IFD-ECS reports.
 - New staff will be trained by the IEVS supervisor in consultation with the IEVS Coordinator.

New Hire Registry (NHR)

County Policy

Orange County Social Services Agency IEVS Worker Tool Handbook, New Hire Registry System (NHR), WT Number B7, instructs staff to complete review of the NHR report within 45 days of the match date. Review includes case review, confirmation of new employment, fraud confrontation interview, initiation of change in benefits, overpayment calculation, and discontinuance for noncompliance.

Schedule of Findings and Questioned Costs (Continued)

For the Year Ended June 30, 2007

Section III Federal Award Findings and Questioned Costs (Continued)

Finding 07-01 (Continued)

Cause of Error

Orange County Social Services Agency is dedicated to processing each of its CalWORKs cases in a timely and accurate manner. This is demonstrated by the Agency's quality assurance practices including:

- Formal case reviews by supervisory staff of a sample of CalWORKs cases.
- Formal case reviews by Quality Assurance staff of a sample of CalWORKs cases.
- Informal case reviews by supervisory staff on an "as needed" basis according to recipient requests, employee development, or other factors.

All public administrative bodies acknowledge that certain levels of processing errors are inevitable and occur for several reasons.

In the retrospective budgeting environment benefits would be recalculated monthly to determine incorrect payments. The IEVS reports were viable tool to identify potential incorrect payments. However, with the implementation of quarterly reporting the regulations changed and the only time the IEVS reports are viable to identify potential erroneous payments is when the income is totally unreported.

County Action

Orange County Social Services Agency appreciates the observations and recommendations of this audit regarding IEVS New Hire Registry. The Agency will continue its effort to reduce untimely processing of these reports. These efforts will include:

- 1. Reminder to CalWORKs eligibility staff about IEVS Handbook WT Number B7. The IEVS Coordinator reviewed WT Number B7 with staff on July 17, 2007.
 - a. The need to process New Hire Registry reports within 45 days of the match date.
 - b. The proper signing of the reports.
 - c. The proper filing of the reports in the case record.

An IEVS Management Workgroup meets monthly and includes staff from Program Integrity, Program and Operations from the Administrative, Family Self-Sufficiency, and Adult Services and Assistance Programs divisions. The purpose of the workgroup is to evaluate and revise processes to meet current business needs.

Schedule of Findings and Questioned Costs (Continued)

For the Year Ended June 30, 2007

Section III Federal Award Findings and Questioned Costs (Continued)

Finding 07-02:

CFDA Title and Number: Temporary Assistance for Needy Families (TANF), CFDA #93.558

Federal Agency: U.S. Department of Health and Human Services

Pass-through Agency: California Department of Social Services

Award Year: June 30, 2007 Compliance: Eligibility

Condition

Per OMB A-133 Compliance Supplement Part IV for CFDA #93,558, the County is required to determine that a recipient is eligible to receive benefits.

During our audit test work performed to determine whether the County has complied with the eligibility requirements, we noted that three (3) case files out of our sample of forty (40) participant files were missing the SAWS 2A forms. It was determined that the three (3) participants were determined to be eligible.

Questioned Costs

Not applicable

Recommendation

We recommend that the County's policies and procedures be emphasized to ensure that the SAWS 2A form is included in the case file. The maintenance of this form is important to demonstrate that the recipient understands their rights and responsibilities when receiving TANF funds.

Management Response

State and County Policy

The SAWS 2A QR, "Rights, Responsibilities and other Important Information" form is required in the case record with original signature/s. Caseworkers must review the SAWS 2A QR form in detail with each client. The client and caseworker must provide their signatures on the form at the time of application and at annual reinvestigation. Orange County Social Services Agency policy #100-E12 provides instructions for required forms for application and reinvestigation packets.

Schedule of Findings and Questioned Costs (Continued)

For the Year Ended June 30, 2007

Section III Federal Award Findings and Questioned Costs (Continued)

Finding 07-02 (Continued)

Corrective Action Plan

County Action

Orange County Social Services Agency acknowledges and appreciates the observations and recommendations of this audit regarding caseworker signatures on the SAWS 2A. Orange County Social Services Agency will ensure corrective actions are taken on the cases listed in this audit as being deficient.

Orange County Social Services Agency is dedicated to processing each of its CalWORKs cases in a timely and accurate manner. This will continue to be demonstrated by the Agency's quality assurance practices including:

- Formal case reviews by supervisory staff of a sample of CalWORKs cases.
- Formal case reviews by Quality Assurance staff of a sample of CalWORKs cases.
- Informal case reviews by supervisory staff on an "as needed" basis according to recipient requests, employee development, or other factors.

Finding 07-03:

CFDA Title and Number: Temporary Assistance for Needy Families (TANF), CFDA #93.558

Federal Agency: U.S. Department of Health and Human Services

Pass-through Agency: California Department of Social Services

Award Year: June 30, 2007

Compliance: Special Tests and Provisions – Penalty for Refusal to Work

Condition

One (1) out of thirty-one (31) case files was missing the Notice of Action (NOA 840 Form). Although the participant had been sanctioned for not complying with the CalWORKS Welfare-to-Work policy, the NOA demonstrating they had been notified prior to being sanctioned was missing from their file.

Questioned Costs

Not applicable

Schedule of Findings and Questioned Costs (Continued)

For the Year Ended June 30, 2007

Section III Federal Award Findings and Questioned Costs (Continued)

Finding 07-03 (Continued)

Recommendation

We recommend that the County complies with CalWORKs Policy Manual CW-240 which states that when County personnel become aware of noncompliance with Welfare-to-Work (WTW), a NOA 840 form is mailed to the client. The NOA informs the client of his/her options. The NOA states how the penalty for refusal to work sanction will affect their TANF aid and if the participant does not contact County personnel within 20 days or cannot show good cause, a sanction will be imposed.

Management Response

County Policy

Orange County Social Services Agency CalWORKs Policy #240, Good Cause/ Compliance/ Sanction, instructs staff on the necessary steps to take when participant becomes noncompliant with the Welfare-to-Work (WTW) program. When a participant refuses or fails to comply with WTW requirements the worker must:

- Initiate the process to determine if good cause for noncompliance exists.
- If good cause does not exist, begin the compliance process.
- If compliance fails, initiate and impose a sanction.

When a worker becomes aware of noncompliance with WTW, a notice of action (NOA) 840, Sanction of Mandatory Participant, is sent to the participant. NOA 840 informs the participant of his/her participation problem and option to avoid a WTW sanction.

Cause of Error

Orange County Social Services Agency is dedicated to processing each of its CalWORKs cases in a timely and accurate manner. This demonstrated by the Agency's quality assurance practices including:

- Formal case reviews by supervisory staff of a sample of CalWORKs cases.
- Formal case reviews by Quality Assurance staff of a sample of CalWORKs cases.
- Informal case reviews by supervisory staff on an "as needed" basis according to recipient requests, employee development, or other factors.

All public administrative bodies acknowledge that certain levels of processing errors are inevitable and occur for several reasons.

County Action

Orange County Social Services Agency appreciates the observations and recommendations of this audit regarding noncompliance with Welfare-to-Work (WTW).

Schedule of Findings and Questioned Costs (Continued)

For the Year Ended June 30, 2007

Section III Federal Award Findings and Questioned Costs (Continued)

Finding 07-04:

CFDA Title and Number: Community Development Block Grant (CDBG), CFDA #14.218

Federal Agency: U.S. Department of Housing and Urban Development

Pass-through Agency: Direct

Award Year: June 30, 2007

Compliance: Subrecipient Monitoring

Condition

Per OMB A-133 Compliance Supplement Part IV for CFDA #14.218, the County is required to monitor all subrecipients.

We noted that nine (9) subrecipients out of fourteen (14) selected for testing did not have the projects' on-site monitoring worksheets signed by the monitor/project leader. However it was determined that the subrecipients were monitored.

Questioned Costs

Not applicable

Recommendation

We recommend that Housing Community Services establish written policies and procedures in ensuring that all completed on-site monitoring worksheets require a signature by the monitor/project leader.

Management Response

HCS has updated it's Subrecipient Monitoring Policy and Procedure to include requirements that all on-site monitoring worksheets are signed by a Contract Administrator and are reviewed and signed by a Section Chief.

Annual site visit procedures, A.3, IV, 11&12, require the contract administrator to conduct a follow-up visit of the contractor no later than six months after the site visit. In addition, the contract administrator is required to document actions taken by the provider in response to the original report and complete the Annual Site Visit Follow-Up form and submit it to the Sr. Contract Administrator.

Schedule of Findings and Questioned Costs (Continued)

For the Year Ended June 30, 2007

Section III Federal Award Findings and Questioned Costs (Continued)

Finding 07-05:

CFDA Title and Number: Alcohol and Drug Program, CFDA #93.959
Federal Agency: U.S. Department of Health and Human Services
Pass-through Agency: California Department of Alcohol and Drug

Award Year: June 30, 2007

Compliance: Subrecipient Monitoring

Condition

The Alcohol and Drug Program has eleven (11) subrecipients. We noted the following:

- A follow-up site visit to determine if corrective action was performed was not conducted for three (3) subrecipients.
- The Annual Site Visit Follow-Up form was not utilized for two (2) subrecipients when the follow-up was conducted.

Annual site visit procedures, A.3, IV, 11&12, require the contract administrator to conduct a follow-up visit of the contractor no later than six months after the site visit. In addition, the contract administrator is required to document actions taken by the provider in response to the original report and complete the Annual Site Visit Follow-Up form and submit it to the Sr. Contract Administrator.

Questioned Costs

Not applicable

Recommendation

We recommend that the Department follow their prescribed polices in order to demonstrate compliance for subrecipient monitoring.

Management Response

Health Care Agency, Contract Development and Management concurs with the recommendation and will take all necessary steps to ensure compliance with its own policies and procedures. Contract Development and Management staff will be trained on appropriate site visit procedures.

Schedule of Findings and Questioned Costs (Continued)

For the Year Ended June 30, 2007

Section III Federal Award Findings and Questioned Costs (Continued)

Finding 07-06:

CFDA Title and Number: State Homeland Security Grant, CFDA #97.073

Federal Agency: U.S. Department of Homeland Security
Pass-through Agency: California Offices of Emergency Services

Award Year: June 30, 2007

Compliance: Allowable costs (payroll)

Condition

Per OMB A-87, to be allowable under Federal awards, costs must be necessary and reasonable for proper and efficient performance and administration of Federal awards and be adequately documented.

The Sheriff-Coroner Department (a department of the County) requires time sheets to be maintained in order to support time charged to the grant. We noted that eleven (11) functional time sheets out of twenty-four (24) were not approved by the Division Commander or his designee in accordance with their Financial/Administrative Services – Payroll Procedures.

Questioned Costs

Not applicable

Recommendation

We recommend that the Sheriff-Coroner Department emphasize their procedures of obtain approval in accordance with their policy.

Management Response

The period under review was during the initial implementation of the functional timesheet process. These functional timesheets reflected the distribution of activity of each employee whose compensation were charged to the grant. However, since this was during the training period, approval of some of the functional timesheets were not acknowledged with a signature. Currently, management has increased awareness of and compliance with the functional timesheet process.

Corrective Action Plan

Management will continue to train personnel on the proper completion of functional timesheets, and enforce compliance with signature requirements.

Schedule of Findings and Questioned Costs (Continued)

For the Year Ended June 30, 2007

Section III Federal Award Findings and Questioned Costs (Continued)

Finding 07-07:

CFDA Title and Number: State Homeland Security Grant, CFDA #97.073

Federal Agency:

U.S. Department of Homeland Security
Pass-through Agency:

California Office of Emergency Services

Award Year: June 30, 2007

Compliance: Allowable costs (non-payroll)

Condition

During our testing, we noted that twenty-two (22) out of forty (40) invoices do not contain initials or signatures that indicate the approval for payment.

Per the Sheriff-Coroner Department's Financial/Administrative Services Desk Procedures, section 3.2.2 Processing Accounts Payable Invoices it states that "the designee will initial the invoices and indicate approval". The designee shall verify that all charges are valid, that goods or services have been received and that payment should be made.

Questioned Costs

Not applicable

Recommendation

We recommend that the Sheriff-Coroner Department reinforce their established procedures to ensure proper internal controls.

Management Response

Management agrees with the recommendation that all divisions should adhere to the Sheriff's Department Financial policy and procedure which states that invoices must be reviewed and approved by the receiving division. This approval serves as verification to the Financial Division that the receiving division has received the requested goods or services, reviewed the invoice amounts and quantities and that payment should be made as stated or as modified.

The Receiver-Auditor copy of purchase orders has also been used for sign-off on contracts, including authorization as to how much of the invoice to pay.

This issue has been mitigated through the implementation of a Homeland Security Bureau stamp process. Each invoice paid through the Homeland Security Grant is stamped, with information regarding the source of funding. This stamp includes a signature line for authorized parties to approve payment of the invoice using Homeland Security grant funds.

Schedule of Findings and Questioned Costs (Continued)

For the Year Ended June 30, 2007

Section III Federal Award Findings and Questioned Costs (Continued)

Finding 07-07 (Continued)

Corrective Action Plan

Management will continue to ensure that each invoice paid through the Homeland Security Grant includes information regarding funding source and has received appropriate authorization through the use of the Homeland Security Grant stamp.

Finding 07-08:

CFDA Title and Number: State Homeland Security Grant, CFDA #97.073

Federal Agency:

U.S. Department of Homeland Security
Pass-through Agency:

California Office of Emergency Services

Award Year: June 30, 2007 Compliance: Davis-Bacon Act

Condition

Per OMB Circular A-133, non-federal entities shall include in their construction contracts subject to the Davis-Bacon Act a requirement that the contractor or subcontractor comply with the requirements of the Davis-Bacon Act and the Department of Labor regulations. This includes a requirement for the contractor or subcontractor to submit to the non-Federal entity weekly, for each week in which any contract work is performed, a copy of the payroll and a statement of compliance (certified payroll). The contract between the Sheriff's department and the contractor indicates that "Contractor shall comply with all necessary Federal, State and Local codes, regulations, laws, standards related to construction and completion of this project".

While testing the requirements of the Davis-Bacon Act, we noted that the contractor maintains all certified payroll records and a copy is not provided to the Sheriff's department.

Questioned Costs

\$26,193

Recommendation

We recommend that the Sheriff's department obtain the certified payroll from their contractors and subcontractors and perform a review before reimbursing contractors and subcontractors. Alternatively the Sherriff-Coroner's Department could obtain Optional Form WH-347 which includes the required statement of compliance.

Schedule of Findings and Questioned Costs (Continued)

For the Year Ended June 30, 2007

Section III Federal Award Findings and Questioned Costs (Continued)

Finding 07-08 (continued)

Management Response

The issue of certified payroll as a requirement of the Davis-Bacon Act has been discussed and reviewed with County Counsel by the OCSD Research & Development Division for County funded projects in the past. The requirement for certified payroll is stipulated in our Contract General Conditions (Clause 33, Section D):

"A contractor or sub-contractor shall file a certified copy of the records enumerated in sub division (a) with the entity that requested the records within 10 days after receipt of a written request."

The conclusion of our review of the Davis-Bacon Act with County Counsel puts the burden of certified payroll records on the contractor or sub-contractor and is not a requirement of OCSD to request or review these records as a matter of procedure. Rather, it is a requirement of OCSD to include reference to certified payroll in our contracts and to act on a request by and for an entity that has made such a request. In making such a request, OCSD references Contract General Conditions with the specific contractor or sub-contractor that signed the contract in question. Certified payroll review is not the responsibility of OCSD, nor is OCSD in a position to review or validate prevailing wages set by the State or agreed to by trade groups and/or unions (representation). This burden is placed on contractors, sub-contractors, representation, and the requesting entity.

Corrective Action Plan

Sheriff-Coroner staff will coordinate a meeting with County Counsel, Auditor-Controller and County agencies, who work on federally-funded Capital Projects, to identify the appropriate monitoring process.

Schedule of Findings and Questioned Costs (Continued)

For the Year Ended June 30, 2007

Section III Federal Award Findings and Questioned Costs (Continued)

Finding 07-09:

CFDA Title and Number: State Homeland Security Grant, CFDA #97.073

Federal Agency:

U.S. Department of Homeland Security
Pass-through Agency:

California Office of Emergency Services

Award Year: June 30, 2007

Compliance: Equipment and Real Property Management

Condition

Per OMB Circular A-102: Common Rule §____.32 Equipment, property records must be maintained that include a description of the property, a serial number or other identification number, the source of property, who holds the title, the acquisition date, and cost of the property, percentage of Federal participation in the cost of the property, the location use and condition of the property, and any ultimate disposition data including the date of disposal and sale price of the property.

The equipment listing maintained by the County does not include the following equipment information: the source of property, who holds the title, percentage of Federal participation in the cost of the property, and the location use and condition of the property.

Questioned Costs

Not applicable

Recommendation

We recommend that the County maintain an accurate inventory log which contains the elements required by OMB Circular A-102: Common Rule §____.32.

Management Response

Management was made aware of this potential issue during a 2007 monitoring visit and has acted to mitigate this issue. As detailed in the Response and Corrective Action Plan to Monitoring Report #M07-001, submitted to the Office of Homeland Security (OHS) March 17, 2007 and accepted by OHS on May 29, 2007:

Policies and procedures are being updated to include a new equipment tracking system. This system will include a bar code database that will relate equipment to the AEL#, the grant year, grant type, solution area, location, and current condition. Once in place all grant equipment will be added to this bar-code system starting from the 2000/2001 Office of Domestic Preparedness Grant. This system will tie in to the County's existing Fixed and Controlled Asset system and will be monitored on an annual basis.

Schedule of Findings and Questioned Costs (Continued)

For the Year Ended June 30, 2007

Section III Federal Award Findings and Questioned Costs (Continued)

Finding 07-09 (continued)

Management's Response (continued)

The new system will replace existing logs, which were established each grant year in accordance with the grant instructions issued at that time. In addition, the Department's Property Manager, Financial/Administrative Services currently audits and will continue to audit inventory logs in accordance with County-wide inventory policies and procedures.

Corrective Action Plan

Since the time of the monitoring visit and development of corrective action plan described above, the Grants Unit has purchased and implemented a bar-coding and tracking system. This system has been continuously reviewed and undergone refinement to add additional detailed information regarding equipment cost, vendor, project detail, replacement date, and surplus status. To date equipment from June 2007 through present has been bar-coded and tracked. Two individuals have been engaged by the Grants Unit and are currently working to bar-code all grant-funded equipment. All grant equipment continues to be tracked in accordance with County-wide inventory policies and procedures.

Schedule of Findings and Questioned Costs (Continued)

For the Year Ended June 30, 2007

Section IV Summary of Prior Year Findings and Questioned Costs

Finding 06-01:

CFDA Title and Number: Food Stamp Cluster, CFDA #10.551, and 10.561

Federal Agency: U.S. Department of Agriculture

Pass-through Agency: California Department of Social Services

Award Year: June 30, 2006 Compliance: Reporting

Corrective action has been taken.

Finding 06-02:

CFDA Title and Number: Temporary Assistance for Needy Families (TANF), CFDA #93.558

Federal Agency: U.S. Department of Health and Human Services

Pass-through Agency: California Department of Social Services

Award Year: June 30, 2006

Compliance: Special Tests and Provisions – Income Eligibility and Verification

System

Partial corrective action has been taken. See Finding 07-01, Special Tests and Provisions – Income Eligibility and Verification System

Finding 06-03:

CFDA Title and Number: Temporary Assistance for Needy Families (TANF), CFDA #93.558

Federal Agency: U.S. Department of Health and Human Services

Pass-through Agency: California Department of Social Services

Award Year: June 30, 2006 Compliance: Eligibility

Partial corrective action has been taken. See Finding 07-02, Eligibility

Finding 06-04:

CFDA Title and Number: Ryan White Title I, CFDA #93.914

Federal Agency: U.S. Department of Health and Human Services

Pass-through Agency: Not applicable Award Year: June 30, 2006 Compliance: Reporting

Corrective action has been taken.

Schedule of Findings and Questioned Costs (Continued)

For the Year Ended June 30, 2007

Section IV Summary of Prior Year Findings and Questioned Costs (Continued)

Finding 06-05:

CFDA Title and Number: Urban Area Security Initiative (UASI), CFDA #97.008

Federal Agency:

U.S. Department of Homeland Security
Pass-through Agency:

California Office of Emergency Services

Award Year: June 30, 2006 Compliance: Reporting

Corrective action has been taken.

Finding 06-06:

CFDA Title and Number: 1) Temporary Assistance for Needy Families (TANF), CFDA #93.558

2) Food Stamp Cluster, CFDA #10.551, and 10.561

3) Foster Care Program, CFDA #93.658

Federal Agency: 1) U.S. Department of Agriculture

2) U.S. Department of Health and Human Services

Pass-through Agency: California Department of Social Services

Award Year: June 30, 2006

Compliance: Allowable Costs, Eligibility, Reporting

Corrective action has been taken.