**Single Audit Report** 

For the Year Ended June 30, 2010

## SINGLE AUDIT REPORT

# For the Year Ended June 30, 2010

# TABLE OF CONTENTS

**PAGE** 

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 <i>Government Auditing</i> Standards
Independent Auditor's Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Program, on Internal Control over Compliance and the Schedule of Expenditures of Federal Awards in Accordance with <i>OMB Circular A-133</i> , Supplementary Schedule of Categorical Expenditure Distribution for the Correction Standards Authority and California Emergency Management Agency Grant Programs, and Schedule of Grant Expenditures for Grants Provided by the California Health and Human Services Agency, Department of Aging
Schedule of Expenditures of Federal Awards
Supplementary Schedule of Categorical Expenditure Distribution for the Correction Standards Authority and California Emergency Management Agency Grant Programs
Supplementary 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 Correctional Standards Authority and California Emergency Management Agency Grant Programs and Schedule of Grant Expenditures for Grants Provided by the California Health and Human Services Agency, Department of Aging
Schedule of Findings and Questions Costs
I. Summary of Auditor's Results
II. Financial Statement Findings
III. Federal Awards Findings and Questioned Costs
Summary of Prior Year Findings

Certified Public Accountants

# 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

Board of Supervisors County of Orange, California

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate 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, 2010, which collectively comprise the County's basic financial statements and have issued our report thereon dated December 16, 2010. Our report included an explanatory paragraph regarding the County's adoption of Governmental Accounting Standards Board (GASB) Statement No. 51, Accounting and Financial Reporting for Intangible Assets as of July 1, 2009. 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 *deficiency in internal control* 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 and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, 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. However, we identified a deficiency in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs as item 2010-1 that we consider to be a significant deficiency in internal control over financial reporting. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

## **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 no 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 16, 2010.

The County's response to the finding identified in our audit is 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.

Vavinch, Trine, Day; Co, Ul

Laguna Hills, California December 16, 2010



Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON 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 THE CALIFORNIA EMERGENCY MANAGEMENT AGENCY
GRANT PROGRAMS, AND SCHEDULE OF GRANT EXPENDITURES FOR GRANTS PROVIDED BY
THE CALIFORNIA HEALTH AND HUMAN SERVICES AGENCY, DEPARTMENT OF AGING

Board of Supervisors County of Orange, California

#### **Compliance**

We have audited the County of Orange's, California (County), compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2010. 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 could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010. 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 2010-02 through 2010-14 and 2010-16.

#### **Internal Control Over Compliance**

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 the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A deficiency in 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 and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purposes described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies as described in the accompanying schedule of findings and questioned costs as items 2010-02, 2010-05, 2010-06, and 2010-09 through 2010-15. A *significant deficiency* in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Schedule of Expenditures of Federal Awards, Supplementary Schedule of Categorical Expenditure Distribution for the Correction Standards Authority and California Emergency Management Agency 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 aggregate 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, 2010, and have issued our report thereon dated December 16, 2010. Our report included an explanatory paragraph regarding the County's adoption of Governmental Accounting Standards Board (GASB) Statement No. 51, Accounting and Financial Reporting for Intangible Assets, as of July 1, 2009. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying schedule of expenditures of federal awards, supplementary schedule of categorical expenditure distribution for the Correction Standards Authority and California Emergency Management Agency 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 California Emergency Management Agency and the 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.

We noted certain other matters that we reported to management of the County in a separate letter dated March 23, 2011.

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 responses and, accordingly, we express no opinion on them.

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.

Vavinch, Trin, Dry; Co, Clof Laguna Hills, California

March 23, 2011, except for the paragraph on the schedule of expenditures of federal awards, supplementary schedule of categorical expenditure distribution for the Correction Standards Authority and California Emergency Management Agency 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 16, 2010.

# Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2010

Federal Grantor County Program Name (Direct or Indirect) (1)	Catalog of Federal Domestic Assistance (CFDA) Number	Pass-Through Entity's Identifying Number (2)	Pass-Through Entity's Name	Disbursements/ Expenditures
Dept. of Agriculture				
School Breakfast Program (Indirect)	10.553	30-34306-9003500-1	CA Dept. of Education	\$ 383,750
National School Lunch Program (Indirect)	10.555	30-34306-9003500-1	CA Dept. of Education	575,759
Subtotal 10.553 and 10.555 (Child Nutrition Cluster)				959,509
Women, Infants, and Children (WIC) (Indirect)	10.557	08-85430	CA Dept. of Public Health	5,433,407
ARRA: SNAP Admin (Indirect)	10.561	1946001347 A7	CA Dept. of Social Services	468,781
Network For A Healthy California (Indirect)	10.561	04-35889;07-65333;08-85179,85180	CA Dept. of Public Health	962,075
Non-Assisted Benefits - CalWIN (Indirect)	10.561	1946001347 A7	CA Dept. of Social Services	1,286,783
Non-Assisted Benefits (Indirect)	10.561	1946001347 A7	CA Dept. of Social Services	18,640,999
Subtotal 10.561 (SNAP Cluster)				21,358,638
Value of Senior Farmer's Market Coupons (Indirect)	10.576		CA Dept. of Food and Agriculture	45,000
Subtotal - Dept. of Agriculture				27,796,554
Dept. of Commerce				
Hospital Preparedness Program to H1N1 (HPP H1N1) Grant (Indirect)	11.133	EPO 09-30	CA Dept. of Public Health	233,964
Public Health Emergency Response to H1N1 Phase I & II (Indirect)	11.206	EPO 09-30	CA Dept. of Public Health	259,275
Public Health Emergency Response to H1N1 Phase III (Indirect)	11.206	EPO P3-30	CA Dept. of Public Health	2,235,042
Subtotal 11.206				2,494,317
Subtotal - Dept. of Commerce				2,728,281

# Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2010

Federal Grantor County Program Name (Direct or Indirect) (1)	Catalog of Federal Domestic Assistance (CFDA) Number	Pass-Through Entity's Identifying Number (2)	Pass-Through Entity's Name	Disbursements/ Expenditures
Dept. of Education				
Workforce Investment Act Title II: Adult Education & Family Literacy Act (Indirect)	84.002	2330	CA Dept. of Education	\$ 41,095
Individuals with Disabilities Education Act (IDEA) (Indirect)	84.027	09-14468-1030-01	Orange County Dept. of Education	11,076,007
Subtotal - Dept. of Education				11,117,102
Dept. of Energy				
ARRA: Energy Efficiency and Conservation (Direct)	81.128			165,040
Subtotal - Dept. of Energy				165,040
Dept. of Health and Human Services				
Title VII-B: Elder Abuse Prevention (Indirect)	93.041	AP 0910-22	CA Dept. of Aging	37,754
Title VII-A: Ombudsman (Indirect)	93.042	AP 0910-22	CA Dept. of Aging	99,982
Title III-D: Preventive Health (Indirect)	93.043	AP 0910-22	CA Dept. of Aging	150,513
Title III-B: Senior Supportive Services (Indirect)	93.044	AP 0910-22	CA Dept. of Aging	2,307,956
Title III-C1: Congregate Meals for Seniors (Indirect)	93.045	AP 0910-22	CA Dept. of Aging	1,910,476
Title III-C2: Home Delivered Meals for Seniors (Indirect)	93.045	AP 0910-22	CA Dept. of Aging	2,588,546
National Family Caregiver Support Program (Indirect)	93.052	AP 0910-22	CA Dept. of Aging	1,149,029
NSIP Title III-C1: Nutrition Services Incentive Program (Indirect)	93.053	AP 0910-22	CA Dept. of Aging	329,413
NSIP Title III-C2: Nutrition Services Incentive Program (Indirect)	93.053	AP 0910-22	CA Dept. of Aging	872,960
ARRA: Title III-C2: Home Delivered Meals for Seniors (Indirect)	93.705	NS 0809-22	CA Dept. of Aging	232,349
ARRA: Title III-C1: Congregate Meals for Seniors (Indirect)	93.707	NS 0809-22	CA Dept. of Aging	471,960
Subtotal 93.041, 93.042, 93.043, 93.044, 93.045, 93.052, 93.053, 93.705, and 93.707 (	(Aging Cluster)			10,150,938

# Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2010

Federal Grantor County Program Name (Direct or Indirect) (1)	Catalog of Federal Domestic Assistance (CFDA) Number	Pass-Through Entity's Identifying Number (2)	Pass-Through Entity's Name	Disbursements/ Expenditures
Dept. of Health and Human Services (Continued)				
Pandemic Influenza Emergency Preparedness (Indirect)	93.069	EPO 07-30	CA Dept. of Public Health	\$ 240,329
Public Health Preparedness and Response to Bioterrorism Grant (Indirect)	93.069	EPO 08-30; EPO 09-30	CA Dept. of Public Health	2,869,376
Subtotal 93.069				3,109,705
MIPPA-Medicare Improvements for Patients and Providers Act (Indirect)	93.071	MI 0910-22	CA Dept. of Aging	29,618
TB Local Assistance (Base Award) (Indirect)	93.116		CA Dept. of Public Health	578,243
Projects for Assistance in Transition from Homelessness (PATH) Grant (Indirect)	93.150	2X06SM06000 05-09	CA Dept. of Mental Health	490,922
Childhood Lead Poisoning Prevention Program (CLPPP) (Indirect)	93.197	08-85076	CA Dept. of Public Health	274,202
Pediatric Immunization (Indirect)	93.268	08-85310	CA Dept. of Public Health	709,541
ARRA: Pediatric Immunization (Indirect)	93.712	08-85310	CA Dept. of Public Health	158,199
Subtotal 93.268 and 93.712 (Immunization Cluster)				867,740
Breast Cancer Early Detection Program (BCEDP) (Indirect)	93.394	06-55699	CA Dept. of Public Health	5,000
Family Preservation (Indirect)	93.556	1946001347 A7	CA Dept. of Social Services	2,009,000
Cal Works - CalWIN (Indirect)	93.558	1946001347 A7	CA Dept. of Social Services	1,072,147
Cal Works (Indirect)	93.558	1946001347 A7	CA Dept. of Social Services	72,285,936
Cal Works (Admin) (Indirect)	93.558	1946001347 A7	CA Dept. of Social Services	95,759,293
ARRA: Emergency Contingency Fund Subsidized Employment (Indirect)	93.714	1946001347 A7	CA Dept. of Social Services	1,113,639
Subtotal 93.558 and 93.714 (TANF Cluster)				170,231,015

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

# Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2010

Federal Grantor County Program Name (Direct or Indirect) (1)	Catalog of Federal Domestic Assistance (CFDA) Number	Pass-Through Entity's Identifying Number (2)	Pass-Through Entity's Name	Disbursements/ Expenditures
Dept. of Health and Human Services (Continued)				
Support Enforcement Incentive Fund (Indirect)	93.563	06-059	CA Dept. of Child Support Services	\$ 3,118,392
Child Support Enforcement Program (Indirect)	93.563	06-059	CA Dept. of Child Support Services	30,473,944
ARRA: Child Support Enforcement Program (Indirect)	93.563	06-059	CA Dept. of Child Support Services	6,060,667
Subtotal 93.563				39,653,003
Welfare Aid to Refugees - CalWIN (Indirect)	93.566	1946001347 A7	CA Dept. of Social Services	8
Welfare Aid to Refugees (Indirect)	93.566	1946001347 A7	CA Dept. of Social Services	536,828
Refugee Cash Assistance (Indirect)	93.566	1946001347 A7	CA Dept. of Social Services	87,947
Refugee Employment Social Services (Indirect)	93.566	RESS0705; RESS0805; RESS0905	CA Dept. of Social Services	430,704
Subtotal 93.566				1,055,487
Refugee Health Assessment Program (Indirect)	93.567	08-30-90840-1; 09-30-90840	CA Dept. of Public Health	326,462
Targeted Assistance (Indirect)	93.576	TARL0805; TARL0905	CA Dept. of Social Services	8,969
HAVA Polling Place Accessibility Training Program (Indirect)	93.617	09G26132	CA Secretary of State	5,000
Child Welfare System Title IV-B (Indirect)	93.645	1946001347 A7	CA Dept. of Social Services	2,264,111
Children Welfare System Title IV-E (Indirect)	93.658	1946001347 A7	CA Dept. of Social Services	3,379,214
Children Welfare System Title IV-E (Indirect)	93.658	1946001347 A7	CA Dept. of Social Services	30,055,402
Welfare Aid to Children in Boarding Homes (Indirect)	93.658	1946001347 A7	CA Dept. of Social Services	11,478,345
ARRA: Welfare Aid to Children in Boarding Homes (Indirect)	93.658	1946001347 A7	CA Dept. of Social Services	1,225,924
Subtotal 93.658				46,138,885

# Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2010

Federal Grantor County Program Name (Direct or Indirect) (1)	Catalog of Federal Domestic Assistance (CFDA) Number	Federal Domestic Pass-Through Assistance (CFDA) Entity's Identifying	Pass-Through Entity's Name	Disbursements/ Expenditures
Dept. of Health and Human Services (Continued)				
Adoption Assistance (Indirect)	93.659	1946001347 A7	CA Dept. of Social Services	\$ 17,587,601
ARRA: Adoption Assistance (Indirect)	93.659	1946001347 A7	CA Dept. of Social Services	2,178,420
Adoptions (Indirect)	93.659	1946001347 A7	CA Dept. of Social Services	2,996,126
Subtotal 93.659				22,762,147
Social Services Block Grant (Indirect)	93.667	1946001347 A7	CA Dept. of Social Services	9,823,580
Independent Living Skills (Indirect)	93.674	1946001347 A7	CA Dept. of Social Services	623,411
California Children Services (CCS) Healthy Families (Indirect)	93.767		CA Dept. of Health Care Services	1,542,938
Children in Foster Care Title XIX- EPSDT (Indirect)	93.778		CA Dept. of Health Care Services	193,750
Targeted Case Management (TCM) (Indirect)	93.778	30-0712	CA Dept. of Health Care Services	157,855
ARRA: Targeted Case Management (TCM) (Indirect)	93.778	30-0712	CA Dept. of Health Care Services	36,596
CMIPS II Project (Indirect)	93.778	1946001347 A7	CA Dept. of Health Care Services	297,929
Medi-Cal Administrative Activities (MAA) (Indirect)	93.778	09-86031	CA Dept of Health Care Services	303,500
Medi-Cal Administrative Activities (MAA) (Indirect)	93.778	09-86031	CA Dept. of Health Care Services	1,065,065
In-Home Supportive Services (IHSS) Program (Indirect)	93.778	1946001347 A7	CA Dept. of Social Services	342,073
Children in Foster Care Title XIX- HCPCFC (Indirect)	93.778		CA Dept. of Health Care Services	596,636
Child Health and Disability Prevention (CHDP) Program Title XIX (Indirect)	93.778		CA Dept. of Health Care Services	722,748
County Services Block Grant and Adult Protective Services - Health (Indirect)	93.778	1946001347 A7	CA Dept. of Social Services	1,886,849

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

# Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2010

Federal Grantor County Program Name (Direct or Indirect) (1)	Catalog of Federal Domestic Assistance (CFDA) Number	leral Domestic Pass-Through stance (CFDA) Entity's Identifying Pass-Through		Disbursements/ Expenditures
Dept. of Health and Human Services (Continued)				
Medi-Cal CalWIN (Indirect)	93.778	1946001347 A7	CA Dept. of Social Services	\$ 2,397,289
California Children Services (CCS) Medi-Cal (Indirect)	93.778		CA Dept. of Health Care Services	4,507,841
Medi-Cal In Home Supportive Services (Indirect)	93.778	1946001347 A7	CA Dept. of Social Services	5,218,023
Medi-Cal In Home Supportive Services (Admin) (Indirect)	93.778	1946001347 A7	CA Dept. of Social Services	5,444,042
ARRA: Medi-Cal In Home Supportive Services (Indirect)	93.778	1946001347 A7	CA Dept. of Social Services	7,536,933
Medi-Cal Targeted Case Management (TCM) (Indirect)	93.778	30-0712	CA Dept. of Health Care Services	4,814,638
ARRA: Medi-Cal Targeted Case Management (TCM) (Indirect)	93.778	30-0712	CA Dept. of Health Care Services	1,116,033
Medi-Cal (Indirect)	93.778	MCAC 2009-04	CA Dept. of Health Care Services	52,248,797
Subtotal 93.778 (Medicaid Cluster)				88,886,597
Health Care Financing Research, Demonstrations and Evaluations (Indirect)	93.779	HI 0910-22	CA Dept. of Aging	158,912
National Bioterrorism Hospital Preparedness Program (HPP) (Indirect)	93.889	EPO 07-30; EPO 08-30; EPO 09-30	CA Dept. of Public Health	1,790,640
Minority AIDS Initiative (MAI) (Direct)	93.914			331,967
Ryan White Part A (Direct)	93.914			5,334,816
Subtotal 93.914				5,666,783
Prevention, Testing & Partner Services (Indirect)	93.917	07-65069	CA Dept. of Public Health-Office of AIDS	634,037
Care Services (Indirect)	93.917	07-65069	CA Dept. of Public Health-Office of AIDS	1,715,940
Subtotal 93.917				2,349,977

# Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2010

Federal Grantor County Program Name (Direct or Indirect) (1)	County Program Name Assistance (CFDA) Entity's Identifying Pass-		al Domestic Pass-Through ance (CFDA) Entity's Identifying Pass-Through	
Dept. of Health and Human Services (Continued)				
Ryan White Part C (HIV Primary Care) (Direct)	93.918			\$ 866,006
Block Grants for Community Mental Health Services (SAMHSA) (Indirect)	93.958	3B09SM010005-09 S1	CA Dept. of Mental Health	2,368,479
Alcohol and Drug Program (Indirect)	93.959	07-NNA30	CA Dept. of Alcohol & Drug	18,996,930
Gonorrhea Isolate Surveillance Project (GISP) (Indirect)	93.977	09-11137	CA Dept. of Public Health	948
Syphilis Elimination (Indirect)	93.977	04-35728	CA Dept. of Public Health	41,873
Chlamydia Screening Project (CLASP) (Indirect)	93.977	09-11137	CA Dept. of Public Health	49,987
Subtotal 93.977				92,808
Maternal and Child Health (MCH) Allocation Title V and XIX (Indirect)	93.994	2009-30	CA Dept. of Public Health	312,266
Adolescent Family Life Program (AFLP) Title V and XIX (Indirect)	93.994	2009-30	CA Dept. of Public Health	569,743
Subtotal 93.994				882,009
Subtotal - Dept. of Health and Human Services				434,009,517
Dept. of Homeland Security				
Urban Areas Security Initiative (UASI) Grant (Indirect)	97.008	2007-0008; 2008-0006	City of Anaheim	174,033
2009 Boating Safety and Enforcement Grant (Indirect)	97.012	09-204-781	CA Dept. of Boating and Waterways	34,037
Santiago Canyon Fire (FEMA) (Indirect)	97.036	059-00000	CA Emergency Management Agency	249,274
2010 Winter Storms (FEMA) (Indirect)	97.039	059-00000	CA Emergency Management Agency	785
1998 Storm (Indirect)	97.039	059-00000	CA Emergency Management Agency	3,125

# Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2010

Federal Grantor County Program Name (Direct or Indirect) (1)	Catalog of Federal Domestic Assistance (CFDA) Number	Pass-Through Entity's Identifying Number (2)	Pass-Through Entity's Name	Disbursements/ Expenditures	
Dept. of Homeland Security (Continued)					
Hazard Mitigation Grant Program (FEMA) (Indirect)	97.039	059-00000	CA Emergency Management Agency	\$ 29,165	
Hazard Mitigation Grant Program (Indirect)	97.039	059-00000	CA Emergency Management Agency	1,074,961	
Freeway Complex Fire (FEMA) (Indirect)	97.039	059-00000	CA Emergency Management Agency	60,415	
Subtotal 97.039				1,168,451	
Federal Emergency Management Agency (FEMA) (Indirect)	97.042	059-00000	CA Emergency Management Agency	3,408	
2008 Emergency Management Preparedness Grant (EMPG) (Indirect)	97.042	2008-15	CA Emergency Management Agency	213,440	
2009 Emergency Management Preparedness Grant (EMPG) (Indirect)	97.042	2009-15	CA Emergency Management Agency	233,440	
Subtotal 97.042				450,288	
State Homeland Security Grant (Indirect)	97.067	2008-0006	CA Emergency Management Agency	264,664	
2006 Homeland Security Grant - Los Angeles, UASI (Indirect)	97.067	C-115831	City of Los Angeles	86,161	
2007 Law Enforcement Terrorism Prevention Plan (LETPP) (Indirect)	97.067	2007-0008	CA Emergency Management Agency	238,869	
2007 State Homeland Security Program (SHSP) (Indirect)	97.067	2007-0008	CA Emergency Management Agency	2,303	
2007 Homeland Security Grant - UASI (Indirect)	97.067	059-95010	CA Emergency Management Agency	702,331	
2007 Metropolitan Medical Response System (MMRS) (Indirect)	97.067	2007-0008	CA Emergency Management Agency	742,102	
2007 State Homeland Security Program (SHSP) (Indirect)	97.067	2007-0008	CA Emergency Management Agency	871,925	
2008 Homeland Security Grant - Anaheim/Santa Ana, UASI (Indirect)	97.067	059-95010	City of Anaheim	8,587	
2008 Homeland Security Grant - LETPP (Indirect)	97.067	2008-0006	CA Emergency Management Agency	354,078	

# Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2010

Federal Grantor County Program Name (Direct or Indirect) (1)	Catalog of Federal Domestic Assistance (CFDA) Number	Pass-Through Entity's Identifying Number (2)	Pass-Through Entity's Name	Disbursements/ Expenditures
Dept. of Homeland Security (Continued)				
2008 Homeland Security Grant - SHSP (Indirect)	97.067	2008-0006	CA Emergency Management Agency	\$ 975,209
2009 State Homeland Security Program (SHSP) (Indirect)	97.067	2009-0019	CA Emergency Management Agency	462,569
2009 Operation Stonegarden Supplemental Grant 2009-1004 (Indirect)	97.067	2009-1004	County of San Diego-Sheriff Dept	52,684
Subtotal 97.067 (Homeland Security Cluster)				4,761,482
TSA: National Explosives Detection Canine Team Program (Direct)	97.072			150,500
FBI National Joint Terrorism Task Force (Direct)	97.074			9,491
2007 Transit Security Grant Program - VIPR (Indirect)	97.075	2007-RL-T7-K111	CA Emergency Management Agency	73,295
TSA: Airport Checked Baggage Screening Program - Terminal C (Direct)	97.100			1,242,766
Disaster Housing Assistance Program - IKE (Direct)	97.109			40,117
Subtotal - Dept. of Homeland Security				8,353,734
Dept. of Housing and Urban Development				
Neighborhood Stabilization Program (Direct)	14.218			2,160,637
Community Development Block Grant (Direct)	14.218			4,520,351
ARRA: Community Development Block Grant Program (Direct)	14.253			331,608
Subtotal 14.218 and 14.253 (CDBG-Entitlement Grants Cluster)				7,012,596

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

# Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2010

Federal Grantor County Program Name (Direct or Indirect) (1)	Catalog of Federal Domestic Assistance (CFDA) Number	Pass-Through Entity's Identifying Number (2)	Pass-Through Entity's Name	Disbursements/ Expenditures
Dept. of Housing and Urban Development (Continued)				
Neighborhood Stabilization Program (Indirect)	14.228	09-NSP1-6263	CA Dept. of Housing & Community Development	\$ 2,620,226
Emergency Shelter Grant Program (Direct)	14.231			173,976
Shelter Plus Care (Direct)	14.238			5,862,912
HOME Investment Partnership Act (Direct)	14.239			3,893,821
Housing Opportunities for Persons with AIDS (HOPWA) (Indirect)	14.241		City of Santa Ana	943,046
ARRA: Homelessness Prevention and Rapid Rehousing Program (Direct)	14.257			277,402
Section 8 Housing Choice Vouchers (Direct)	14.871			115,639,968
Disaster Voucher Program (Direct)	14.UNKNOWN			26,598
Subtotal - Dept. of Housing and Urban Development				136,450,545
Dept. of Justice				
Juvenile Sex Offender Management (Direct)	16.203			157,004
Juvenile Accountability Block Grant (JABG) (Indirect)	16.523	CSA 144-09	Corrections Standards Authority	3,272
Juvenile Accountability Block Grant (JABG) (Indirect)	16.523	CSA 144-09	Corrections Standards Authority	25,803
Juvenile Accountability Block Grant (JABG) (Indirect)	16.523	CSA 144-09	Corrections Standards Authority	101,978
Juvenile Accountability Block Grant (JABG)/ AMYVPT (Indirect)	16.523	CSA 144-09 AMYVPT	Corrections Standards Authority	34,250
Subtotal 16.523				165,303
DMC-TAP II Title II Grant (Indirect)	16.540	CSA 360-09	Corrections Standards Authority	2,089

# Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2010

Federal Grantor County Program Name (Direct or Indirect) (1)	Catalog of Federal Domestic Assistance (CFDA) Number	Pass-Through Entity's Identifying Number (2)	Pass-Through Entity's Name	oursements/ penditures
Dept. of Justice (Continued)				
2008 Solving Cold Cases with DNA (Direct)	16.560			\$ 115,368
Victim Witness Assistance Program (Direct)	16.575	VW09280300	CA Emergency Management Agency	528,177
Child Abuse Treatment Services (Indirect)	16.575	AT08050300; AT09060300	CA Emergency Management Agency	178,003
Gang Victim Services Special Emphasis (Direct)	16.575	SE09190300	CA Emergency Management Agency	108,336
Subtotal 16.575				814,516
Advanced Technologies for Law Enforcement Initiative (Direct)	16.580			23,872
ARRA: Victim Witness Assistance Program (Indirect)	16.588	RV09010300	CA Emergency Management Agency	34,404
ARRA: Violence Against Women Vertical Prosecution (Indirect)	16.588	VV09010300	CA Emergency Management Agency	181,164
Subtotal 16.588				215,568
Residential Substance Abuse Treatment (RSAT) (Indirect)	16.593	RT09010300	CA Emergency Management Agency	129,196
Residential Substance Abuse Treatment (RSAT) (Indirect)	16.593	RT09010300	CA Emergency Management Agency	54,829
Subtotal 16.593				 184,025
State Criminal Alien Assistance Program (SCAAP) (Direct)	16.606			18,209,065
2009 Bulletproof Vest Partnership (Direct)	16.607			30,308
2007 Bulletproof Vest Partnership (Direct)	16.607			 44,675
Subtotal 16.607				 74,983

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

# Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2010

Federal Grantor County Program Name (Direct or Indirect) (1)	Catalog of Federal Domestic Assistance (CFDA) Number	Pass-Through Entity's Identifying Number (2)	Pass-Through Entity's Name	Disbursements/ Expenditures
Dept. of Justice (Continued)				
2008 Project Safe Neighborhoods (Indirect)	16.609	US08010300	CA Emergency Management Agency	\$ 3,737
2008 Project Safe Neighborhoods (Indirect)	16.609	US08010300	CA Emergency Management Agency	1,119
Anti-Gang Initiative Strategy - PSN (Indirect)	16.609	US09020300	CA Emergency Management Agency	4,780
Subtotal 16.609				9,636
2007 Edward Byrne Memorial Justice Assistance Grant (JAG) Program (Direct)	16.738			638
2007 Edward Byrne Memorial Justice Assistance Grant (JAG) (Direct)	16.738			135,274
2008 Edward Byrne Memorial Justice Assistance Grant (JAG) (Direct)	16.738			87,509
2009 Edward Byrne Memorial Justice Assistance Grant (JAG) (Direct)	16.738			285,162
2009 Anti-Drug Abuse Enforcement Program (Indirect)	16.738	DC09200300	CA Emergency Management Agency	10,555
2009 Anti-Drug Abuse Enforcement Program (Indirect)	16.738	DC09200300	CA Emergency Management Agency	96,594
2009 Anti-Drug Abuse Enforcement Program (Indirect)	16.738	DC09200300	CA Emergency Management Agency	915,862
Subtotal 16.738				1,531,594
2008 DN-BX-K062 DNA Backlog Reduction Program (Direct)	16.741			297,115
2009 DN-BX-K094 DNA Backlog Reduction Program (Direct)	16.741			143,770
2009 DN-BX-K033 DNA Unit Efficiency Improvement Program (Direct)	16.741			164,756
Subtotal 16.741				605,641
2008 Coverdell National Forensic Science Improvement Grants Program (Indirect)	16.742	CQ08060300	CA Emergency Management Agency	54,367
2009 Coverdell National Forensic Science Improvement Grants Program (Indirect)	16.742	CQ08060300	CA Emergency Management Agency	91,183
Subtotal 16.742				145,550

# Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2010

Federal Grantor County Program Name (Direct or Indirect) (1)	Catalog of Federal Domestic Assistance (CFDA) Number	Pass-Through Entity's Identifying Number (2)	Pass-Through Entity's Name	Disbursements/ Expenditures
Dept. of Justice (Continued)				
ARRA: Victim Witness Assistance Program (Indirect)	16.801	VS09010300	CA Emergency Management Agency	\$ 36,313
ARRA: Edward Byrne Memorial Justice Assistance Grant (JAG) (Indirect)	16.804	ZO09010300	CA Emergency Management Agency	458,710
ARRA: Edward Byrne Memorial Justice Assistance Grant (JAG) (Indirect)	16.804	ZO09010300	CA Emergency Management Agency	299,999
ARRA: 2009 Anti-Drug Abuse Enforcement Program (Indirect)	16.804	ZA09010300	CA Emergency Management Agency	32,929
ARRA: 2009 Edward Byrne Memorial Justice Assistance Grant (JAG) (Direct)	16.804			1,692,415
ARRA: Evidence Based Supervision Program (Indirect)	16.804	ZP09010300	CA Emergency Management Agency	180,316
Subtotal 16.804				2,664,369
US Immigration & Customs Enforcement (ICE) (Direct)	16.UNKNOWN			2,470
Cyber Crime Task Force (Direct)	16.UNKNOWN			10,280
DOJ-FBI-OCJTTF - Overtime (Direct)	16.UNKNOWN			16,110
Orange County Regional Computer Forensics Laboratory (OCRCFL) (Direct)	16.UNKNOWN			16,780
DOJ-FBI-Southern California Regional Sexual Felony Enforcement Team (Direct)	16.UNKNOWN			59,000
Southwest Border Prosecution Initiative (SWBPI) (Direct)	16.UNKNOWN			211,288
Southwest Border Prosecution Initiative (SWBP) (Direct))	16.UNKNOWN			344,194
High Intensity Drug Trafficking Area (HIDTA) (Direct)	16.UNKNOWN			398,387
Department of Justice Forfeiture Program (Direct)	16.UNKNOWN			465,299
Sheriff's Narcotic Program (SNP) Forfeitures (Direct)	16.UNKNOWN			870,428
Regional Narcotics Suppression Program (RNSP) Forfeitures (Direct)	16.UNKNOWN			2,110,894
Subtotal 16.UNKNOWN				4,505,130
Subtotal - Dept. of Justice				29,460,026

# Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2010

Federal Grantor County Program Name (Direct or Indirect) (1)	Catalog of Federal Domestic Assistance (CFDA) Number	Pass-Through Entity's Identifying Number (2)	Pass-Through Entity's Name	Disbursements/ Expenditures
Dept. of Labor				
Title V - Senior Community Services Employment Program (Indirect)	17.235	TV 0910-22	CA Dept. of Aging	\$ 871,167
ARRA: Title V - Senior Community Services Employment Program (Indirect)	17.235	ES 0809-22	CA Dept. of Aging	182,199
Subtotal 17.235				1,053,366
Workforce Investment Act Title I Adult (2007) (Indirect)	17.258	R865476	CA Employment Development Dept.	111,200
Workforce Investment Act Title I Adult (2008) (Indirect)	17.258	R970554	CA Employment Development Dept.	1,179,099
Workforce Investment Act Title I Adult (2009) (Indirect)	17.258	K074158	CA Employment Development Dept.	1,602,906
ARRA: Adult (Indirect)	17.258	R970554	CA Employment Development Dept.	1,990,812
Workforce Investment Act Title I Youth (2008) (Indirect)	17.259	R970554	CA Employment Development Dept.	485,462
Workforce Investment Act Title I Youth (2009) (Indirect)	17.259	K074158	CA Employment Development Dept.	1,822,784
ARRA: Youth (Indirect)	17.259	R970554	CA Employment Development Dept.	2,439,916
Workforce Investment Act Title I Dislocated Worker (2007) (Indirect)	17.260	R865476	CA Employment Development Dept.	102,003
Workforce Investment Act Title I Dislocated Worker (2008) (Indirect)	17.260	R970554	CA Employment Development Dept.	3,855,854
Workforce Investment Act Title I Dislocated Worker (2009) (Indirect)	17.260	K074158	CA Employment Development Dept.	3,812,897
ARRA: Dislocated Worker (Indirect)	17.260	R970554	CA Employment Development Dept.	5,424,266
Subtotal 17.258, 17.259 and 17.260 (WIA Cluster)				22,827,199
Young Offender Planning Grant (Direct)	17.261			85,770
Youth - Young Offender (Direct)	17.261			106,740
Subtotal 17.261				192,510

# Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2010

Federal Grantor County Program Name (Direct or Indirect) (1)	Catalog of Federal Domestic Assistance (CFDA) Number	Pass-Through Entity's Identifying Number (2)	Pass-Through Entity's Name	Disbursements/ Expenditures
Dept. of Labor (Continued)				
Workforce Investment Act Title I Demonstration Project (2009) (Indirect)	17.266	K074158	CA Employment Development Dept.	\$ 35,918
Technology-Based Learning Initiative (Direct)	17.269			72,386
Subtotal - Dept. of Labor				24,181,379
Dept. of the Interior				
Payments in Lieu of Taxes (PILT) (Direct)	15.226			121,746
Federal Forest Reserve Fund (Indirect)	15.916	12-5955	CA Dept. of Transportation	20,654
Subtotal - Dept. of the Interior				142,400
Dept. of Transportation				
Airport Improvement Programs 0233- 36, 37, 38, 40 (Direct)	20.106			6,464,263
Transportation Equity Act for the 21st Century (TEA-21) (Indirect)	20.205	12-5955	CA Dept. of Transportation	683,713
New Freedom (Indirect)	20.521	C-9-0647	Orange County Transportation Authority	148,072
2007 OTS-Avoid South 10 DUI Campaign (Indirect)	20.600	AL0724	CA Office of Traffic Safety	24,159
2010 OTS - Real DUI Media Contest & Real DUI Trial in Schools (Indirect)	20.600	AL1098	CA Office of Traffic Safety	29,636
2010 OTS - Avoid the 12 DUI Campaign (Indirect)	20.600	AL1099	CA Office of Traffic Safety	181,886
Subtotal 20.600 (Highway Safety Cluster)				235,681
Subtotal - Dept. of Transportation				7,531,729
Election Assistance Commission				
VoteCal Statewide Voter Registration System Project (Indirect)	90.401	09G30353	CA Secretary of State	1,169
Subtotal - Election Assistance Commission				1,169

# Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2010

Federal Grantor County Program Name (Direct or Indirect) (1)	Catalog of Federal Domestic Assistance (CFDA) Number	Pass-Through Entity's Identifying Number (2)	Pass-Through Entity's Name	Disbursements/ Expenditures
<b>Environmental Protection Agency</b>				
BEACH Act Grant (Indirect)	66.472	09-11378	CA Dept. of Public Health	\$ 13,700
Pollution Prevention Grants Program (Direct)	66.708			1,485,965
Contaminated Fish Monitoring (Direct)	66.802			15,677
Subtotal - Environmental Protection Agency				1,515,342
Institute of Museum and Library Services				
LSTA: Fast Internet Matters Grant (Indirect)	45.310	40-7487	CA State Library	5,000
LSTA: Staff Education Program (Indirect)	45.310	40-7025	CA State Library	13,951
Subtotal - Institute of Museum and Library Services				18,951
Grand Total				683,471,769

#### LEGEND:

<sup>(1)</sup> Indirect refers to Federal monies passed through various nonfederal agencies, primarily State of California agencies.

<sup>(2)</sup> 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.

# Supplementary Schedule of Categorical Expenditure Distribution for the Correction Standards Authority and California Emergency Management Agency Grant Programs For The Year Ended June 30, 2010

				Categorical Expenditure Distribution									
Program Name	CFDA#	Grant #				Operating Expenses		1 0		1 0		Total	
Juvenile Accountability Block Grant (JABG)	16.523	CSA144-09	Federal Match	\$	129,632 14,402 144,034	\$	1,421 159 1,580	\$	131,053 14,561 145,614				
Juvenile Accountability Block Grant (JABG)/AMYVPT	16.523	CSA144-09	Federal Match		31,764 2,662 34,426		2,486 276 2,762		34,250 2,938 37,188				
Child Abuse Treatment Services (CHAT)	16.575	AT08050300	Federal Match		- - -		73,243 18,310 91,553		73,243 18,310 91,553				
Child Abuse Treatment Services (CHAT)	16.575	AT09060300	Federal Match		- - -		104,760 26,190 130,950		104,760 26,190 130,950				
Gang Victim Services Special Emphasis	16.575	SE09190300	Federal Match		103,050 25,262 128,312		5,286 1,820 7,106		108,336 27,082 135,418				

# Supplementary Schedule of Categorical Expenditure Distribution for the Correction Standards Authority and California Emergency Management Agency Grant Programs For The Year Ended June 30, 2010

				Categorical Expenditure Distribut					
Program Name	CFDA#	Grant #			sonal vices	-	erating penses		Total
Victim Witness Assistance Program	16.575	VW09280300	Federal State Advance	\$	527,891 346,820 51,508 926,219	\$	286 96,007 5,094 101,387	\$	528,177 442,827 56,602 1,027,606
ARRA: Victim Witness Assistance Program	16.588	RV09010300	Federal Match		34,049 11,470 45,519		355 - 355		34,404 11,470 45,874
ARRA: Violence Against Women Vertical Prosecution	16.588	VV09010300	Federal Match		159,742 53,958 213,700		21,422 6,429 27,851		181,164 60,387 241,551
Residential Substance Abuse Treatment (RSAT)	16.593	RT09010300	Federal Match		184,025 59,774 243,799		- -		184,025 59,774 243,799
ARRA: Victim Witness Assistance Program	16.801	VS09010300	Federal Match		36,215 9,078 45,293		98 - 98		36,313 9,078 45,391

# Supplementary Schedule of Categorical Expenditure Distribution for the Correction Standards Authority and California Emergency Management Agency Grant Programs For The Year Ended June 30, 2010

			Categorical Expenditure Distribution				_	
Program Name	CFDA#	Grant #		rvices		Operating Expenses		Total
DMC-TAP II Title II Grant (1)	16.540	CSA360-09	\$	2,089	\$	-	\$	2,089
2008 Project Safe Neighborhoods (1)	16.609	US08010300		3,737		1,119		4,856
Anti-Gang Initiative Strategy - PSN (1)	16.609	US09020300		3,959		821		4,780
2009 Anti-Drug Abuse Enforcement Program (1)	16.738	DC09200300		360,274		662,737		1,023,011
2008 Coverdell National Forensic Science Improvement Grants Program (1)	16.742	CQ08060300		-		54,367		54,367
2009 Coverdell National Forensic Science Improvement Grants Program (1)	16.742	CQ08060300		-		91,183		91,183
ARRA: Edward Byrne Memorial Justice Assistance Grant (1)	16.804	ZO09010300		-		758,709		758,709
ARRA: Evidence Based Supervision Program (1)	16.804	ZP09010300		177,291		3,025		180,316
ARRA: 2009 Anti Drug Abuse Enforcement Program (1)	16.804	ZA09010300		32,929		-		32,929
Vertical Prosecution Program (2)		VB08060300		665,387		27,025		692,412
2009 CAL-MMET Program (2)		MH08030300	\$ 3	291,408 3,318,376	\$	3,203 1,965,831	\$	294,611 5,284,207

<sup>(1)</sup> Federal = 100%

<sup>(2)</sup> State = 100%

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

# 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, 2010\*\*

			Grant Award			Expe	enditures			
Grantor County Program Name Direct or Indirect	Catalog of Federal Domestic Assistance Number (CFDA #)	Pass-Through Entity's Indentifying Number	Federal	Stat	te	Total	ī	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 0910-22	\$ 37,75	4 \$	- \$	37,754	\$	37,754 \$	- \$	37,754
Title VIIA: Ombudsman (indirect)	93.042	AP 0910-22	99,98	2	-	99,982		99,982	-	99,982
Title IIID: Preventive Health (indirect)	93.043	AP 0910-22	150,60	8	-	150,608		150,513	-	150,513
Title IIIB: Senior Supportive Services (indirect)	93.044	AP 0910-22	2,374,24	4	-	2,374,244		2,307,956	-	2,307,956
Title IIIC1: Congregate Meals for Seniors (indirect)	93.045	AP 0910-22	1,910,47	6 1	79,795	2,090,271		1,910,476	179,795	2,090,271
Title IIIC2: Home Delivered Meals for Seniors (indirect)	93.045	AP 0910-22	2,588,54	6 1	58,449	2,746,995		2,588,546	158,449	2,746,995
National Family Caregiver Support Program (indirect)	93.052	AP 0910-22	1,185,07	2	-	1,185,072		1,149,029	-	1,149,029
NSIP Title III-C1: Nutrition Services Incentive Program (indirect)	93.053	AP 0910-22	329,41	3	-	329,413		329,413	-	329,413
NSIP Title III-C2: Nutrition Services Incentive Program (indirect)	93.053	AP 0910-22	872,96	0	-	872,960		872,960	-	872,960
ARRA: Title III-C2: Home Delivered Meals for Seniors (indirect)	93.705	NS 0809-22	232,34	9	-	232,349		232,349	-	232,349
ARRA: Title III-C1: Congregate Meals for Seniors (indirect)	93.707	NS 0809-22	471,96	0	-	471,960		471,960	-	471,960
Subtotal 93.041, 93.042, 93.043, 93.044, 93.045, 93.052, 93.053, 93.705, and 93.707 (Aging Cluster)			10,253,36	4 3	38,244	10,591,608		10,150,938	338,244	10,489,182
MIPPA-Medicare Improvements for Patients and Providers Act (indirect)	93.071	MI 0910-22	34,04	5	-	34,045		29,618	-	29,618
Health Care Financing Research, Demonstrations and Evaluations	93.779	HI 0910-22	183,07	7 4	15,205	598,282		158,912	415,205	574,117
Total U.S. Department of Health and Human Services			10,470,48	6 7	53,449	11,223,935		10,339,468	753,449	11,092,917
U.S. Department of Labor										
Pass-through the California Department of Aging:										
Title V - Senior Community Services Employment Program (indirect)	17.235	TV-0910-22	906,30	1	-	906,301		871,167	-	871,167
ARRA: Title V - Senior Community Services Employment Program (indirect)	17.235	ES 0809-22	182,21	4	-	182,214		182,199	-	182,199
Appropriation Act: Title V - Senior Community Services Employment Program (indirect)	17.235	AA 0910-22	87,11	2	-	87,112		-	-	
Total U.S. Department of Labor			1,175,62	7	=	1,175,627		1,053,366	=	1,053,366
California Health and Human Services Agency, Department of Aging										
Community Based Service Programs			=		89,452	89,452		=	89,449	89,449
Ombudsman Volunteer Recruitment Initiative				2	43,354	243,354		-	199,100	199,100
Total California Health and Human Services Agency			-	3	32,806	332,806		-	288,549	288,549
Department of Transportation										
Pass-through the Orange County Transportation Authority: New Freedom	20.521	C-9-0647	500,00	0	-	500,000		148,072		148,072
Total			\$ 12,146,11	3 \$ 1,0	86,255 \$	13,232,368	\$	11,540,906 \$	1,041,998 \$	12,582,904

<sup>\*\*</sup> All federal and state grants provided to the County of Orange, California 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 California Emergency Management Agency Grant Programs and Schedule of Grant Expenditures For Grants Provided by the California Health and Human Services Agency, Department of Aging Year Ended June 30, 2010

#### 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). The County's reporting entity is defined in Note 1 of the notes to the County's basic financial statements. Federal awards received directly from federal agencies as well as federal awards passed through other government agencies, primarily the State of California, are included on the schedule.

#### 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 22 through 24.

#### 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 25.

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

Year Ended June 30, 2010

#### 7. PASS-THROUGH AWARDS TO SUBRECIPIENTS

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

	CED A #	Amount Provided to Subrecipient for the Year Ended
County Program Title (Direct/Indirect)	CFDA #	June 30, 2010
Network For A Healthy California (Indirect)	10.561	\$ 269,758
Value of Senior Farmer's Market Coupons (Indirect)	10.576	45,000
Individuals with Disabilities Education Act (IDEA) (Indirect)	84.027	3,510,525
Title VII-B: Elder Abuse Prevention (Indirect)	93.041	37,754
Title VII-A: Ombudsman (Indirect)	93.042	99,982
Title III-D: Preventive Health (Indirect)	93.043	38,930
Title III-B: Senior Supportive Services (Indirect)	93.044	1,788,712
Title III-C1: Congregate Meals for Seniors (Indirect)	93.045	1,615,383
Title III-C2: Home Delivered Meals for Seniors (Indirect)	93.045	2,434,249
National Family Caregiver Support Program (Indirect)	93.052	812,772
NSIP Title III-C1: Nutrition Services Incentive Program (Indirect)	93.053	329,413
NSIP Title III-C2: Nutrition Services Incentive Program (Indirect)	93.053	872,960
MIPPA-Medicare Improvements for Patients and Providers Act (Indirect)	93.071	26,895
Projects for Assistance in Transition from Homelessness (PATH) Grant (Indirect)	93.150	490,922
Refugee Employment Social Services (Indirect)	93.566	358,262
Targeted Assistance (Indirect)	93.576	7,392
ARRA: Title III-C2: Home Delivered Meals for Seniors (Indirect)	93.705	209,114
ARRA: Title III-C1: Congregate Meals for Seniors (Indirect)	93.707	424,764
ARRA: Pediatric Immunization (Indirect)	93.712	156,699
Health Care Financing Research, Demonstrations and Evaluations (Indirect)	93.779	145,697
Minority AIDS Initiative (MAI) (Direct)	93.914	291,961
Ryan White Part A (Direct)	93.914	2,078,017
Care Services (Indirect)	93.917	440,847
Prevention, Testing & Partner Services (Indirect)	93.917	302,139
Block Grants for Community Mental Health Services (SAMHSA) (Indirect)	93.958	1,297,942
Alcohol and Drug Program (Indirect)	93.959	9,067,120
Maternal and Child Health (MCH) Allocation Title V and XIX (Indirect)	93.994	8,211
2008 Emergency Management Preparedness Grant (EMPG) (Indirect)	97.042	213,440
2007 Metropolitan Medical Response System (MMRS) (Indirect)	97.067	739,865
2007 State Homeland Security Program (SHSP) (Indirect)	97.067	601,189
2007 Law Enforcement Terrorism Prevention Plan (LETPP) (Indirect)	97.067	4,900
2007 Homeland Security Grant - UASI (Indirect)	97.067	1,937
2008 Homeland Security Grant - SHSP (Indirect)	97.067	128,603
2007 Transit Security Grant Program - VIPR (Indirect)	97.075	7,247
Community Development Block Grant (Direct)	14.218	3,453,013
Emergency Shelter Grant Program (Direct)	14.231	165,148

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

Year Ended June 30, 2010

#### 7. PASS-THROUGH AWARDS TO SUBRECIPIENTS (CONTINUED)

		<b>Amount Provided</b>
		to Subrecipient for
County Program Title (Direct/Indirect)	CFDA #	the Year Ended June 30, 2010
Housing Opportunities for Persons with AIDS (HOPWA) (Indirect)	14.241	881,351
ARRA: Community Development Block Grant Program (Direct)	14.253	300,080
ARRA: Homelessness Prevention and Rapid Rehousing Program (Direct)	14.257	274,831
Juvenile Sex Offender Management (Direct)	16.203	97,500
Child Abuse Treatment Services (Indirect)	16.575	178,003
ARRA: Violence Against Women Vertical Prosecution (VAWA) (Indirect)	16.588	16,041
2007 Edward Byrne Memorial Justice Assistance Grant (JAG) (Direct)	16.738	106,323
2008 Edward Byrne Memorial Justice Assistance Grant (JAG) (Direct)	16.738	68,975
2009 Edward Byrne Memorial Justice Assistance Grant (JAG) (Direct)	16.738	253,407
2009 Anti-Drug Abuse Enforcement Program (Indirect)	16.738	504,680
ARRA: 2009 Edward Byrne Memorial Justice Assistance Grant (JAG) (Direct)	16.804	1,520,461
ARRA: Edward Byrne Memorial Justice Assistance Grant (JAG) (Indirect)	16.804	458,710
Southwest Border Prosecution Initiative (SWBPI) (Direct)	16.999	2,325
Title V - Senior Community Services Employment Program (Indirect)	17.235	798,663
ARRA: Title V - Senior Community Services Employment Program (Indirect)	17.235	167,624
Workforce Investment Act Title I Adult (2007) (Indirect)	17.258	80,937
ARRA: Adult (Indirect)	17.258	1,872,399
Workforce Investment Act Title I Adult (2008) (Indirect)	17.258	1,080,748
Workforce Investment Act Title I Adult (2009) (Indirect)	17.258	1,071,529
ARRA: Youth (Indirect)	17.259	907,114
Workforce Investment Act Title I Youth (2008) (Indirect)	17.259	388,640
Workforce Investment Act Title I Youth (2009) (Indirect)	17.259	1,361,117
Technology-Based Learning Initiative (Indirect)	17.269	68,447
ARRA: Dislocated Worker (Indirect)	17.260	5,121,938
Workforce Investment Act Title I Dislocated Worker (2008) (Indirect)	17.260	3,383,834
Workforce Investment Act Title I Dislocated Worker (2007) (Indirect)	17.260	74,884
Workforce Investment Act Title I Dislocated Worker (2009) (Indirect)	17.260	3,003,480
Youth - Young Offender (Direct)	17.261	85,770
Workforce Investment Act Title I Demonstration Project (2009) (Indirect)	17.266	31,961
New Freedom (Indirect)	20.521	148,072
Total		\$ 56,786,606

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

Year Ended June 30, 2010

#### 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):

CFDA		Oustanding Loans at	Prior Year Loans with Continuing Compliance	New Loans in Fiscal Year Ended
	T 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1		•	
No.	Federal Program	June 30, 2010	Requirements	June 30, 2010
14.218	Community Development Block Grant	\$ 3,175,260	\$ 3,175,260	\$ -
14.239	HOME Investment Partnership Act	15,396,548	11,727,048	3,669,500

# SCHEDULE OF FINDINGS AND QUESTIONED COSTS Year Ended June 30, 2010

# I. SUMMARY OF AUDITOR'S RESULTS

Auditee qualified as low-risk auditee?

Type of auditor's report issued:		U	nqualified
Internal control over financial reporting:			
Material weaknesses identified?			No
Significant deficiencies identified?			Yes
Noncompliance material to financial statements noted?			No
EDERAL AWARDS			
Internal control over major programs:			
Material weaknesses identified?			No
Significant deficiencies identified?			Yes
Type of auditor's report issued on compliance for major programs:		Un	nqualified
Any audit findings disclosed that are rec Identification of major programs:	quired to be reported in accordance with Circular A-133, Section .510(a)		Yes
CFDA Numbers	Name of Federal Program or Cluster		
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children		
10.337	Supplemental Nutrition Assistance Program Cluster, ARRA Supplemental		
10.561	Nutrition Assistance Program Cluster		
93.041, 93.042, 93.043, 93.044,			
93.045, 93.052, 93.053, 93.705,			
93.707	Aging Cluster, ARRA Aging Cluster		
93.069	Public Health Emergency Preparedness		
	Temporary Assistance for Needy Families (TANF) Cluster, ARRA		
93.558, 93.714	Temporary Assistance for Needy Families (TANF) Cluster		
93.658	Foster Care Title IV-E, ARRA Foster Care Title IV-E		
93.667	Social Services Block Grant		
93.778	Medicaid Cluster, ARRA Medicaid Cluster		
97.067	Homeland Security Cluster		
44.040.44.050	Community Development Block Grant Entitlement Grants Cluster, ARRA		
14.218, 14.253	Community Development Block Grant Entitlement Grants Cluster		
	Shelter Plus Care		
14.238	Section 8 Housing Choice Vouchers		
14.871			
	Edward Byrne Memorial Justice Assistance Grant		
14.871 16.738	ARRA Edward Byrne Memorial Justice Assistance Grant Program / Grants		
14.871	ARRA Edward Byrne Memorial Justice Assistance Grant Program / Grants To Units Of Local Government		
14.871 16.738 16.804	ARRA Edward Byrne Memorial Justice Assistance Grant Program / Grants To Units Of Local Government Senior Community Service Employment Program, ARRA Senior		
14.871 16.738	ARRA Edward Byrne Memorial Justice Assistance Grant Program / Grants To Units Of Local Government Senior Community Service Employment Program, ARRA Senior Community Service Employment Program		
14.871 16.738 16.804	ARRA Edward Byrne Memorial Justice Assistance Grant Program / Grants To Units Of Local Government Senior Community Service Employment Program, ARRA Senior		

Yes

# SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED) Year Ended June 30, 2010

#### II. FINANCIAL STATEMENT FINDINGS

#### **Finding 2010-01**

#### RATE COVENANT CALCULATION - ORANGE COUNTY WASTE AND RECYCLING (OCWR)

#### Criteria:

In accordance with the terms of the Sublease and Trust Agreement for OCWR's 1997 Waste Management System Refunding Revenue Bonds, the County is required to maintain rates that will produce Net Operating Revenues, that when combined with Available Funds (which amount shall not constitute more than twenty percent (20%) of aggregate Debt Service Expenses during such Fiscal Year) will be at least equal to one hundred twenty percent (120%) of the aggregate Debt Service Expenses payable in such Fiscal Year.

#### **Condition:**

During our audit of OCWR's rate covenant requirements for the 1997 Waste Management System Refunding Revenue Bonds, we noted discrepancies with the method OCWR used to calculate the rate covenant. The original calculation prepared by management was not calculated based on the terms of the Sublease agreement, and indicated that OCWR did not meet the 120% coverage threshold. Upon management's recalculation using the terms and definitions of the Sublease agreement, we noted that OCWR did meet the rate covenant threshold. We also noted that subsequent to June 30, 2010, Fitch Ratings performed a ratings update of OCWR's 1997 Waste Management System Refunding Revenue Bonds and publicly released the results of its rating update dated November 30, 2010. The ratings update resulted in an A+, outlook stable rating and reported positively on OCWR's cash reserve position. However, Fitch Ratings reported in its press release that OCWR did not meet the 120% coverage threshold. We noted OCWR provided Fitch with the rate covenant calculation that indicated OCWR fell below the 120% threshold.

#### **Context:**

OCWR is required to comply with various bond covenants related to the 1997 Waste Management System Refunding Revenue Bonds.

#### Cause:

OCWR did not calculate the rate covenant in accordance with the Sublease agreement. It appears that there was not a proper internal review of the calculation before its release to the rating agency.

#### Effect:

The effect of this control deficiency resulted in inaccurate information provided to the rating agency, which resulted in negative commentary in the rating agency's press release.

#### **Recommendation:**

We recommend that OCWR adopt the revised calculation in their debt covenant monitoring policies and procedures. We also recommend that OCWR implement a formal policy, and/or review their current informal policies over the dissemination of financial information to outside entities to ensure there are proper safeguards in place to prevent inaccurate financial information from being made public.

# SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED) Year Ended June 30, 2010

#### II. FINANCIAL STATEMENT FINDINGS

Finding 2010-01 (Continued)

#### View of responsible officials and corrective action:

OCWR concurs with the finding that the rate covenant calculation was not performed in strict adherence to the Sublease agreement. OCWR also concurs with the recommendation. A procedure will be developed to include the formula prescribed in the Sublease agreement. In addition, a policy and procedure will be developed to ensure that proper safeguards are in place prior to making financial information public.

Please note, OCWR has contacted Fitch Rating's and requested that a revised press release be issued clarifying that the 120% coverage threshold was met, based on the revised calculation. Fitch Rating's has indicated its willingness to review the information and potentially issue a revised press release.

# SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED) Year Ended June 30, 2010

#### III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (Continued)

**Finding 2010-02** 

**Program:** Homeland Security Cluster

**CFDA No.:** 97.067

Federal Grantor: U.S. Department of Homeland Security

Passed-through: State of California

Award No.: Various

Award Year: 2007, 2008, 2009

Compliance Requirement: Procurement and Suspension and Debarment

#### Criteria:

The June 2010 Office of Budget and Management (OMB) Circular A-133 Compliance Supplement states that when a non-federal entity enters into a covered transaction with an entity at a lower tier, the non-federal entity must verify that the entity is not suspended or debarred or otherwise excluded. This verification may be accomplished by checking the Excluded Parties List System (EPLS), collecting a certification from the entity or adding a clause or condition to the covered transaction with that entity.

#### **Condition:**

While testing the annual contracts entered into with County vendors, we noted that documentation supporting that a check of the EPLS was performed could not be provided, nor was a verification clause included in contracts to ensure the vendor was not suspended or debarred.

#### **Ouestioned Costs:**

None

#### **Context:**

The condition noted above was identified during our testing of the procurement and suspension and debarment requirements of the program.

#### **Effect:**

The County increases its risk of contracting with a suspended and debarred vendor.

#### Cause:

The County did not maintain procedures requiring verification of the suspended and debarred status of contracted engineering consultants.

#### **Recommendation:**

We recommend strengthening procedures to ensure that procurements and subawards of federally funded projects are verified against the EPLS for suspension or debarment.

# SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED) Year Ended June 30, 2010

#### III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (Continued)

#### Finding 2010-02 (Continued)

#### **View of Responsible Official and Planned Corrective Actions:**

Concur. The Sheriff Department's purchasing staff were instructed to verify if parties have been excluded from Federal Grant Purchases via https://www.epls.gov. Staff verified the website; however, they did not print the results unless vendors were listed. We will immediately implement the recommendation and have staff print out the search results and include them in the procurement folder.

**Finding 2010-03** 

Program: Homeland Security Cluster

**CFDA No.:** 97.067

Federal Grantor: U.S. Department of Homeland Security

Passed-through: State of California

Award No.: Various

Award Year: 2007, 2008, 2009

Compliance Requirement: Subrecipient Monitoring

#### Criteria:

The June 2010 OMB Circular A-133 Compliance Supplement states that a pass-through entity is responsible for "Award Identification – At the time of the award, identifying to the subrecipient the federal award information (e.g., CFDA title and number, award name, name of federal agency) and applicable compliance requirements."

#### **Condition:**

While testing subrecipient monitoring provisions, it was noted that the agreements between the County and the providers (subrecipients) did not include the CFDA title and number and name of federal agency as required by *OMB Circular A-133*.

#### **Questioned Costs:**

None

#### **Context:**

The condition noted above was identified during our examination of the County's contracts/ agreements with subrecipients.

#### Effect:

The subrecipient agreements do not specifically identify the CFDA title and number, award name and federal agency. Accordingly, subrecipients may not be aware that they have received federal funding, which might require the subrecipient to have a Single Audit performed.

# SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED) Year Ended June 30, 2010

## III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (Continued)

## Finding 2010-03 (Continued)

#### Cause:

The County's subrecipient monitoring procedures did not specifically ensure that the CFDA title and number, award name and federal agency were identified in the formalized agreement executed with subrecipients.

#### **Recommendation:**

We recommend the County enhance its policies and procedures to ensure that information required by *OMB Circular A-133* is included in subrecipient agreements.

## **View of Responsible Official and Planned Corrective Action:**

Concur. Transfer agreements are executed at the inception of the three year grant performance period. Those expenditures noted in this finding relate to transfer agreements executed in 2007 and 2008 grant years. The Sheriff Department has included the CFDA numbers, title, and federal agency on all transfer agreements entered into since this recommendation was first made in the Fiscal Year (FY) 2007-08 Single Audit. The Sheriff Department has also included the CFDA numbers on approved Project Request Forms and Check Requests. The Sheriff Department will continue to reference the CFDA title, number, and name of federal agencies in future transfer agreements in order to meet the required elements cited for *OMB Circular A-133*.

#### **Finding 2010-04**

**Program:** Homeland Security Cluster

**CFDA No.:** 97.067

Federal Grantor: U.S. Department of Homeland Security

Passed-through: State of California

Award No.: Various Award Year: 2008

**Compliance Requirement:** Reporting

#### Criteria:

*OMB Circular A-133* requires that entities report federally funded activity on the Schedule of Expenditures of Federal Awards (SEFA).

#### **Condition:**

While testing reporting requirements, it was noted that certain expenditures were reported twice in the SEFA.

#### **Questioned Costs:**

None

# SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED) Year Ended June 30, 2010

## III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (Continued)

## Finding 2010-04 (Continued)

#### Context:

The condition noted above was identified during our examination of the County's reconciliation from its accounting records to the SEFA.

#### **Effect:**

As a result of the condition identified, adjustments were proposed and posted to the SEFA.

#### Cause:

The County's reporting procedures did not specifically ensure that the amounts provided for inclusion on the SEFA were reconciled to the underlying accounting records.

#### **Recommendation:**

We recommend the County enhance its policies and procedures to ensure that information included in the SEFA is reconciled to the underlying accounting records.

### View of Responsible Official and Planned Corrective Action:

Concur. The Sheriff Department will continue its efforts and commitment to reconcile all grant accounts between agencies involved in the Homeland Security grants in order to eliminate duplication of amounts reported on the SEFA.

#### **Finding 2010-05**

Program: American Recovery and Reinvestment Act (ARRA) Edward Byrne Memorial Justice Assistance Grant

Program/Grants to Units of Local Government

**CFDA No.:** 16.804

Federal Grantor: U.S. Department of Justice

Passed-through: State of California

**Award No.:** Z009 01 0300 **Award Year:** FY 2009-10

Compliance Requirement: Special Tests and Provisions – ARRA Subrecipient Monitoring

## Criteria:

For awards with ARRA Funding, the *June 2010 OMB Circular A-133 Compliance Supplement* states that entities must "document at the time of the subaward and disbursement of funds, the Federal award number, CFDA number, and the amount of ARRA funds."

# SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED) Year Ended June 30, 2010

## III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (Continued)

## Finding 2010-05 (Continued)

#### **Condition:**

It was noted that the ARRA information was not communicated to subrecipients at the time of award or when funds were disbursed as required by *OMB Circular A-133*.

### **Questioned Costs:**

None

#### **Context:**

The condition noted above was identified during our examination of the Special Tests and Provisions associated with the County's contracts/ agreements with subrecipients. Written documentation with the required elements was provided to the subrecipients in February 2011.

#### **Effect:**

The communication of required information to subrecipients did not occur at the time of award or when disbursements were made.

#### Cause:

The County's procedures did not specifically ensure that the CFDA title and number, award name and federal agency, and amount of ARRA provided were identified at the time of disbursement.

### **Recommendation:**

We recommend the County enhance its procedures to ensure that the federal award number, CFDA number, and the amount of ARRA funds is consistently included in subrecipient communication at the time of award and when disbursements are made as required by *OMB Circular A-133*.

### View of Responsible Official and Planned Corrective Action:

Concur. Current procedures will be enhanced to ensure notifications of CFDA numbers and ARRA funding are properly communicated to subrecipients at the time of award and when disbursements are made.

# SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED) Year Ended June 30, 2010

## III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (Continued)

**Finding 2010-06** 

Program: TANF Cluster, ARRA TANF Cluster

**CFDA No.:** 93.558 and 93.714

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

**Passed-through:** State of California – California Department of Social Services

**Award No.:** 1946001347 A7 **Award Year:** FY 2009-10

Compliance Requirement: Eligibility and Special Tests and Provisions – Income Eligibility and Verification

System (IEVS)

#### Criteria:

The *June 2010 OMB Circular A-133 Compliance Supplement* requires that the County determine the eligibility of program participants based on several requirements including, but not limited to, the existence of a minor child in the home, "needy" status, and financial eligibility. To facilitate the eligibility determination, the County utilizes the following:

IEVS Report – Income Eligibility Verification System. This report is required to be generated and reviewed by the service worker. This report is generated/filed within 45 days of approval of benefits.

#### **Condition:**

Of the 65 case files selected for testing the following was noted:

Nine IEVS reports were run after the 45 days required by regulations.

## **Questioned Costs:**

None

#### **Context:**

The condition noted above was identified during examination of the County's process over determining eligibility.

#### **Effect:**

The County increases its risk of non-compliance with the Eligibility Requirements and Special Tests and Provisions requirements applicable to the program.

#### Cause:

The County's procedures did not consistently ensure that the IEVS reports were obtained within a timely manner.

# SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED) Year Ended June 30, 2010

## III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (Continued)

## Finding 2010-06 (Continued)

#### **Recommendation:**

We recommend that the County strengthen procedures to ensure that required forms and reports are obtained within a timely manner and maintained in case files.

## **Views of Responsible Officials and Planned Corrective Actions:**

Social Services Agency (SSA) appreciates the observations and recommendations of this audit regarding strengthening procedures to ensure that the required forms and reports are obtained within a timely manner and maintained in the case files.

SSA continues to make every effort to ensure that the IEVS reports are obtained within a timely manner and documented in the participant case files. These efforts include:

- 1) IEVS reports are no longer distributed via hard copy. The information is now automated, displayed, and processed in the IEVS Applicant Reports windows in CalWIN.
- 2) It is the responsibility of the worker of record to review IEVS matches at initial application when adding a program, adding a person with a social security number (SSN) to an active case, entering/changing a SSN for a person in an active case and processing a QR7 or RRR.
- 3) The Family Self-Sufficiency (FSS) Priority List has been updated to reflect IEVS reports processing as a priority.
- 4) For CalWIN problems with IEVS processes (including generating the reports in CalWIN), staff has been advised to submit a trouble ticket.
- 5) Overtime has been authorized and offered to staff beginning December 2010 and ongoing to process the backlog of IEVS/IFD reports.
- 6) A task force has been formed and had their first meeting on March 15, 2010 to reassess the formation of a specialized IEVS unit to centralize the processing of IEVS/IFD reports.
- 7) The following IEVS policies are available on the FSS Intranet:
  - Applicant Match
  - Integrated Fraud Detection (IFD)
  - Payment Verification System (PVS)
  - New Hire Registry (NHR)
- 8) The corresponding CalWIN Resource Guides for each of the IEVS policies listed above are available in the CalWIN Intranet:
  - IEVS Applicant Reports
  - IEVS Recipient IFD Reports
  - <u>IEVS NHR/PVS Reports</u>

# SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED) Year Ended June 30, 2010

## III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (Continued)

**Finding 2010-07** 

Program: ARRA Supplemental Nutrition Assistance Program (SNAP) Cluster

**CFDA No.:** 10.561

Federal Grantor: U.S. Department of Agriculture

Passed-through: State of California

**Award No.:** 1946001347 A7 **Award Year:** FY 2009-10

**Compliance Requirement:** Reporting

#### **Criteria:**

The June 2010 OMB Circular A-133 Compliance Supplement requires that a FNS-209 – Status of Claims Against Households be submitted.

The California Department of Social Services requires the completed Form FNS-209 to be submitted at the end of every quarter, no later than 30 days following the end of each quarter.

#### **Condition:**

Two of the four FNS-209 quarterly reports for FY 2009-10 were submitted after the due date.

### **Questioned Costs:**

None

#### **Context:**

The condition noted above was identified during our examination of the County's reporting process.

## **Effect:**

It was noted that the reports were prepared and filed. However, the reports were submitted after the due date.

#### Cause:

The County's procedures did not ensure that FNS-209 reports were consistently submitted on or before the due date.

## **Recommendation:**

We recommend that the County strengthen procedures to ensure that required reports are submitted by the required due dates.

# SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED) Year Ended June 30, 2010

## III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (Continued)

## Finding 2010-07 (Continued)

### View of Responsible Official and Planned Corrective Action:

SSA appreciates the observations and recommendations of this audit. The finding above was for FY 2008-09 and given to us in March 2010. We have made every effort to ensure the reports are submitted no later than 30 days following the end of each quarter. Since March 2010, all the reports have been submitted by the required date.

SSA will continue its efforts and commitment to the timely submission of the FNS-209 reports. The primary factor contributing to the late submission of the FNS-209 reports in the prior years was the lack of available resources to work on the report due to staff reductions. As there was no material financial impact caused by the delayed submission of the FNS-209 reports, a higher priority was given to projects and deadlines which would have a material impact either financially or in terms of the quality of services rendered to SSA clients.

Follow up corrective actions will continue to include the following:

- 1) Reinforce the importance of timely submission of the reports to staff at management meetings.
- 2) Designate a staff person to monitor timely submission of the reports to staff at management meetings and designate a staff person to monitor timely submission of the FNS-209 reports.

## **Finding 2010-08**

Program: ARRA Justice Assistance Grant

**CFDA No.:** 16.804

Federal Grantor: U.S. Department of Justice

Passed-through: State of California

**Award No.:** ZO09 01 0300 **Award Year:** FY 2009-10

**Compliance Requirement:** Allowable Cost and Reporting

#### Criteria:

The June 2010 OMB Circular A-133 Part 3 Allowable Costs Compliance Requirement Supplement states that the requirements for allowable costs are contained in the A-102 Common Rule, OMB Circular A-110 (2 CFR section 215.27), program legislation, federal awarding agency regulations, and the terms and conditions of the award. The California Emergency Management Agency (Cal EMA) 2010 Recipient Handbook Section 6320.3 states that the claimed expenses must be grant—related and be incurred during the grant period.

## **Condition:**

It was noted that the Report of Expenditures and Request for Funds submitted for the quarter ending June 2010 was supported by an expense summary spreadsheet which included 66 timecards and training costs. For 3 out of 20 timecards tested, the hours per the expense spreadsheet were more than the hours certified on the timecard. For 1 out of 20 timecards tested, the hourly pay rate per the expense spreadsheet was more than the actual pay rate.

# SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED) Year Ended June 30, 2010

## III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (Continued)

## Finding 2010-08 (Continued)

#### **Ouestioned Costs:**

Questioned costs in the amount of \$1,561 represents hours charged in excess of actual hours supported.

#### Context:

The condition noted above was identified during our examination of the County's reporting process.

#### **Effect:**

The County reported hours that were greater than the amounts certified on the timecard.

#### Cause:

The County's reporting procedures did not ensure that hours on the certified timecard agreed to the Report of Expenditures and Request for Funds.

### **Recommendation:**

We recommend the County strengthen procedures to ensure that hours on the certified timecard agree to the Report of Expenditures and Request for Funds.

## View of Responsible Official and Planned Corrective Action:

There was a change of program administrators at the end of March 2010. The staff analyst mistakenly used the previous administrators' higher hourly pay when calculating the new administrators' claims. The difference for all hours claimed during the audit period amounts to \$58.62, which will be deducted from the next quarterly claim in order to reimburse Cal EMA. The staff analyst has corrected the pay rate and will review all subsequent claims to make similar adjustments as needed.

When calculating the Paid Time Off (PTO) allocation, the staff analyst mistakenly apportioned all of the PTO to the ARRA grant for a staff assigned to two grants. The PTO should have been apportioned according to the percentage of the staff position supported by the ARRA grant, with the remaining PTO apportioned to the other unrelated grant(s). The difference for all hours claimed during the audit period amounted to \$1,502.76, which will be deducted from the next quarterly claim in order to reimburse Cal EMA. The staff analyst will ensure that all future claims for staff assigned to two or more grants have the PTO apportioned according to the percentage of each grant.

# SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED) Year Ended June 30, 2010

## III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (Continued)

**Finding 2010-09** 

**Program:** ARRA Foster Care Title IV-E

**CFDA No.:** 93.658

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

Passed-through: State of California

**Award No.:** 1946001347 A7 **Award Year:** FY 2009-10

**Compliance Requirement:** Reporting

#### **Criteria:**

The State of California Department of Social Services requires the County to submit the *Caseload Movement and Expenditures Report CA 237 FC* report within 20 days of month end.

### **Condition:**

During our testing of the reporting requirements, it was noted that 2 of the 4 monthly reports tested were submitted after the deadline.

## **Questioned Costs:**

None

#### **Context:**

The condition was identified during our examination of the Foster Care Title IV-E program reporting requirements.

## **Effect:**

The County has an increased risk of non-compliance for the reporting of the Caseload Movement and Expenditures Report CA 237 FC.

#### Cause:

The County's procedures did not ensure that the Caseload Movement and Expenditures Report CA 237 FC report was submitted timely on a consistent basis.

## **Recommendation:**

We recommend that the County strengthen its procedures to ensure that required reports are submitted timely.

# SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED) Year Ended June 30, 2010

## III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (Continued)

## Finding 2010-09 (Continued)

### View of Responsible Official and Planned Corrective Action:

SSA appreciates the observations and recommendations of this audit. The above finding was for FY 2008-09 and given to us in March 2010. We have made every effort to ensure the reports are submitted monthly within twenty days of month end. Since March 2010, all the reports have been submitted to the State by the required date.

SSA will continue its efforts and commitment to the timely submission of the CA 237 FC reports. The primary factor contributing to the late submission of the CA 237 FC reports in the prior years was the lack of available resources to work on the report due to staff reductions. As there was no material financial impact caused by the delayed submission of the CA 237 FC reports, a higher priority was given to projects and deadlines which would had a material impact either financially or in terms of the quality of services rendered to SSA clients.

Follow up corrective actions will continue to include the following:

- 1. Reinforce the importance of timely submission of the reports to staff at management meetings.
- 2. Designate a staff person to monitor timely submission of the CA 237 FC reports.

#### **Finding 2010-10**

Program: ARRA Medicaid Cluster

**CFDA No.:** 93.778

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

Passed-through: State of California – California Department of Health Care Services/Social Services

**Award No.:** 1946001347 A7 **Award Year:** FY 2009-10

**Compliance Requirement:** Eligibility

### Criteria:

The June 2010 OMB Circular A-133 Compliance Supplement requires that the County determine eligibility in accordance with the specific eligibility requirements defined in the approved State plan. These requirements include the maintenance of documentation necessary to support eligibility determinations and re-determinations. To ensure compliance with the eligibility requirements for the Medicaid program, the County maintains the following primary source documents:

- 1. MC 13 Citizenship Documentation used for non-US Citizens to determine proper citizenship status for benefits
- 2. MC 210 RV Statement of Facts used during annual redetermination process

#### **Condition:**

Of the 60 case files selected for testwork, we noted the following:

- 1. 2 case files did not contain the MC 13 when required
- 2. 2 case files where the MC 210 RV was not included in the case file at the time of annual re-determination

# SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED) Year Ended June 30, 2010

## III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (Continued)

Finding 2010-10 (Continued)
Questioned Costs:
None

#### **Context:**

The condition noted above was identified during our examination of the SSA's participant case files of the Medi-Cal program.

#### **Effect:**

As a result of the condition, the internal control and compliance with regards to the above forms/requirements were not consistently documented.

#### Cause:

The County's eligibility procedures did not ensure that the required documents were consistently obtained.

#### **Recommendation:**

We recommend that the County strengthen its procedures to ensure that the required forms are consistently obtained and maintained in the case file.

## **Views of Responsible Officials and Planned Corrective Actions:**

SSA appreciates the observations and recommendations of this audit regarding missing case documents. During the audit period, SSA converted approximately 200,000 Medi-Cal and SNAP cases to electronic imaged files in a span of four months. Although quality control protections were in place, some documents failed imaging or were inadvertently indexed to incorrect cases. We believe this is what occurred with one MC 210 and both MC 13 documents missing from the electronic case files. Since this massive initial effort to convert cases to imaged files, we have implemented additional safeguards to reduce the possibility of missing documents. Eligibility Technicians sending documents for imaging now include a coversheet bar-coded with the case number to eliminate the possibility of clerical staff misinterpreting the case number. This ensures that documents will be indexed to the correct case in the imaging process and will be available for later viewing. Replacement documents will be obtained and imaged into the case records.

The other MC 210 RV document was missing due to a computer system error. We are researching this issue with our programming vendor to identify the exact cause of the error so that the problem can be avoided in the future.

# SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED) Year Ended June 30, 2010

## III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (Continued)

**Finding 2010-11** 

**Program:** ARRA SNAP Cluster

**CFDA No.:** 10.561

Federal Grantor: U.S. Department of Agriculture

Passed-through: State of California

**Award No.:** 1946001347 A7 **Award Year:** FY 2009-10

Compliance Requirement: Special Tests and Provisions – ADP System for SNAP

#### **Criteria:**

The *June 2010 OMB Circular A-133 Part 6* states that the auditee is responsible for "establishing and maintaining internal control designed to reasonably ensure compliance with federal laws, regulations, and program compliance requirements."

In order to determine eligibility to receive benefits, the County utilizes several required forms and reports including but not limited to:

- 1. SAWS1—Program application. This form must be signed by the applicant and retained in the participant's file.
- 2. Statement of Facts— is used to collect all the necessary information to determine eligibility. The worker must review the completed form, question-by-question with the client during the phone or face-to-face interview. These reports are required to be signed by the participant and retained in the participant's file.
- 3. QR-7 reports are submitted by the participant on a quarterly basis to report any changes in income, housing, or status. These reports are required to be signed by the participant and retained in the participant's file.
- 4. TEMP 2215—Electronic Benefit Transfer (EBT) Important Information. This form certifies that information has been read and understood by the applicant and is required by the California Department of Social Services to be signed and maintained.
- 5. IEVS Report—Income Eligibility Verification System (IEVS). This report is required to be generated and reviewed by the service worker. The service worker evidences review through signature on the report or through electronic signature on the CalWIN System.

#### **Condition:**

Of the 60 case files selected for testwork, the following was noted:

- 1. Six SAWS1 forms could not be located.
- 2. Three Statement of Fact documents could not be located.
- 3. One Statement of Fact document was not signed by the participant.
- 4. QR-7s could not be located for three case files.
- 5. One QR-7 was not signed by the participant.
- 6. Eight TEMP 2215 EBT forms could not be located.
- 7. Five case files did not have FY 2009-10 IEVS reports.
- 8. Seventeen IEVS reports were not reviewed by the service worker.

# SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED) Year Ended June 30, 2010

## III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (Continued)

F	inding 2010-11 (Continued)	
Q	uestioned Costs:	

#### **Context:**

None

The condition noted above was identified during examination of the case files for the required federal and state forms.

#### **Effect:**

There is an increased risk of non-compliance with the special test and provision requirements set forth in *OMB A-133 Compliance Supplement*.

#### Cause:

The County's procedures did not ensure that the required federal and state forms and reports were consistently reviewed by service workers and maintained in the case files.

#### **Recommendation:**

We recommend that the County strengthen procedures to ensure that required forms and reports are reviewed by the appropriate persons and maintained in case files.

## **View of Responsible Official and Planned Corrective Action:**

During the audit period, SSA converted approximately 200,000 Medi-Cal and SNAP cases to electronic imaged files in a span of four months. Although quality control protections were in place, some documents failed imaging or were inadvertently indexed to incorrect cases. We believe this is what occurred with the documents which could not be located in the electronic case files. Since this massive initial effort to convert cases to imaged files, we have implemented additional safeguards to reduce the possibility of missing documents. Eligibility Technicians sending documents for imaging now include a coversheet bar-coded with the case number to eliminate the possibility of clerical staff misinterpreting the case number. This ensures that documents will be indexed to the correct case in the imaging process and will be available for later viewing. Replacement documents will be obtained and imaged into the case records.

Regarding the unsigned QR7, a reminder will be issued to staff to ensure required signatures are obtained.

Reviewing IEVS reports at this time of scarce resources has become a major challenge, especially when the number of applications to process has increased to levels not previously experienced in our county. Additionally, IEVS reports have increased given the volume of participants currently receiving unemployment benefits. A workgroup is being formed to evaluate available resources and the feasibility of reinstating the specialized IEVS unit. The cases cited in the audit have been reviewed and we have confirmed that the benefits issued were accurate.

# SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED) Year Ended June 30, 2010

## III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (Continued)

**Finding 2010-12** 

**Program:** Public Health Emergency Preparedness

**CFDA No.:** 93.069

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

Passed-through: State of California

Award No.: EPO 09-30 Award Year: FY 2009-10

**Compliance Requirement:** Procurement

#### Criteria:

The *June 2010 OMB Circular A-133 Compliance Supplement* states that when a non-federal entity enters into a covered transaction with an entity at a lower tier, the non-federal entity must verify that the entity is not suspended or debarred or otherwise excluded. This verification may be accomplished by checking the Excluded Parties List System (EPLS), collecting a certification from the entity or adding a clause or condition to the covered transaction with that entity.

#### **Condition:**

While testing the annual contracts entered into with County vendors, we noted that for one selection, documentation supporting that a check of the EPLS was performed could not be provided, nor was a verification clause included in contracts to ensure the vendor was not suspended or debarred.

#### **Ouestioned Costs:**

None

## **Context:**

The condition noted above was identified during our testing of the procurement and suspension and debarment requirements of the program.

#### **Effect:**

The County increases its risk of contracting with a suspended and debarred vendor.

#### Cause:

The County did not maintain procedures requiring verification of the suspended and debarred status of items under fixed asset account codes.

### **Recommendation:**

We recommend strengthening procedures to ensure that procurements and subawards of federally funded projects are verified against the EPLS for suspension or debarment.

# SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED) Year Ended June 30, 2010

## III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (Continued)

## Finding 2010-12 (Continued)

### **View of Responsible Official and Planned Corrective Actions:**

Concur. Current procedures will be enhanced to include appropriate screenings through the EPLS for purchases of items under fixed asset account codes where the contract costs total \$25,000 or more.

#### **Finding 2010-13**

**Program:** ARRA Senior Community Service Employment Program, ARRA WIA Cluster, ARRA Aging Cluster,

ARRA CDBG Entitlement Grants Cluster

**CFDA No.:** 17.235, 17.258, 17.259, 17.260, 93.041, 93.042, 93.043, 93.044, 93.045, 93.052, 93.053, 93.705,

93.707, 14.218, 14.253

Federal Grantor: U.S. Department of Labor, U.S. Department of Health and Human Services, U.S. Department

of Housing and Urban Development **Passed-through:** State of California

**Award No.:** Various **Award Year:** Various

Compliance Requirement: Special Tests and Provisions – ARRA Subrecipient Monitoring

#### Criteria:

For awards with ARRA Funding, the *June 2010 OMB Circular A-133 Compliance Supplement* states that entities must "document at the time of the subaward and disbursement of funds, the federal award number, CFDA number, and the amount of ARRA funds."

#### **Condition:**

It was noted that the ARRA information was not communicated to subrecipients at the time of disbursement of funds as required by *OMB Circular A-133*.

### **Questioned Costs:**

None

### **Context:**

The condition noted above was identified during our examination of the Special Tests and Provisions associated with the County's contracts/ agreements with subrecipients.

### **Effect:**

The communication of required information to subrecipients did not occur at the time disbursements were made.

### Cause:

The County's procedures did not specifically ensure that the CFDA title and number, award name and federal agency, and amount of ARRA provided were identified at the time of disbursement.

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED) Year Ended June 30, 2010

## III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (Continued)

## Finding 2010-13 (Continued)

#### **Recommendation:**

We recommend the County enhance its procedures to ensure that the Federal award number, CFDA number, and the amount of ARRA funds is consistently included in subrecipient communication at the time disbursements are made as required by *OMB Circular A-133*.

## **View of Responsible Official and Planned Corrective Action:**

Concur. OC Community Resources (OCCR) Accounting staff that process payments have already been instructed to identify the disbursement of ARRA funds and include the CFDA number and pass-through number in the remittance section of each subrecipient check. This will be included in the procedures.

**Finding 2010-14** 

**Program:** ARRA CDBG Cluster **CFDA No.:** 14.218, 14.253

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

**Passed-through:** N/A

Award No.: B-09-UY-06-0504

Award Year: 2009

**Compliance Requirement:** Subrecipient Monitoring

#### Criteria:

For awards with ARRA Funding, the *June 2010 OMB Circular A-133 Compliance Supplement* states that entities must "identify to first-tier sub recipients the requirement to register in the Central Contractor Registration (CCR), including obtaining a Dun and Bradstreet Data Universal Numbering System (DUNS) number, and maintaining the currency of that information (Section 1512(h) of ARRA, and 2 CFR section 176.50(c))."

#### **Condition:**

It was noted that the County did not review whether first-tier subrecipients registered with the CCR.

## **Questioned Costs:**

None

## **Context:**

The condition noted above was identified during our examination of the subrecipient monitoring requirements associated with the County's contracts/agreements with subrecipients.

#### Effect:

The communication of the CCR requirement to subrecipients did not occur at the time the pass-through agreements were made.

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED) Year Ended June 30, 2010

## III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (Continued)

## Finding 2010-14 (Continued)

#### Cause:

The County's subrecipient monitoring procedures did not specifically ensure that the CCR requirement associated with ARRA funding was communicated to the subrecipients.

#### **Recommendation:**

We recommend the County enhance its procedures to ensure that CCR requirements associated with the pass-through of ARRA funding are identified to the subrecipients.

## **View of Responsible Official and Planned Corrective Action:**

Concur. The County will ensure that CCR requirements are met. The County has updated the files with subrecipient's DUNS number for HUD reporting systems and will require CCR for future ARRA funding.

### **Finding 2010-15**

Program: Senior Community Service Employment Program, ARRA Senior Community Service Employment

**Program** 

**CFDA No.:** 17.235

**Federal Grantor:** Department of Labor **Passed-through:** State of California

Award No.: Various Award Year: 2009-10

**Compliance Requirement:** Subrecipient Monitoring

## Criteria:

The *June 2010 OMB Circular A-133 Compliance Supplement* states that a pass-through entity is responsible for "During-the-Award-Monitoring – Monitoring the subrecipient's use of federal funds."

#### **Condition:**

During our testing, we noted that the County performs onsite monitoring of the subrecipient, however, the participant timesheets are not reviewed as part of the County's monitoring process.

## **Questioned Costs:**

None

#### **Context:**

The condition noted above was identified during testing of the subrecipient monitoring requirements. The costs supported by the timesheets are significant to the program.

# SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED) Year Ended June 30, 2010

## III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (Continued)

## Finding 2010-15 (Continued)

#### Effect:

As a result of the condition noted, there are costs supported by information maintained at the subrecipient that is not being monitored by the County.

#### Cause:

The onsite fiscal monitoring included only the costs on the reimbursement requests submitted to the County by the subrecipient. The program participants are paid directly from the County payroll system and therefore, the cost is not included on the subrecipient's reimbursement requests. Each participant's time is approved on timecards maintained at the subrecipient location.

#### **Recommendation:**

We recommend that the County enhance procedures over subrecipient monitoring to ensure that reported costs are properly supported.

## View of Responsible Official and Planned Corrective Action:

Concur. Subrecipient monitoring procedures were enhanced for FY 2010-11 and now require staff, before on-site subrecipient monitoring is performed, to prepare a written plan of documentation to review. The planning process, approved by the Claims/Fiscal Monitoring Manager, will ensure that monitoring procedures cover both subrecipient reimbursement requests and participant timesheets for programs paid from the County payroll system.

#### **Finding 2010-16**

**Program:** Foster Care Title IV-E, ARRA Foster Care Title IV-E

**CFDA No.:** 93.658

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

Passed-through: State of California

**Award No.:** 1946001347 A7 **Award Year:** FY 2009-10

**Compliance Requirement:** Eligibility

### Criteria:

The June 2010 OMB Circular A-133 Compliance Supplement requires that the County determine eligibility in accordance with the specific eligibility requirements defined in the approved state plan. These requirements include the maintenance of documentation necessary to support eligibility determinations and re-determinations. To ensure compliance with the eligibility requirements for the Foster Care program, the County maintains the following primary source documents; Statement of Facts Supporting Eligibility for AFDC-Foster Care and a required worksheet to determine whether certain eligibility requirements were met by potential Foster Care recipients, FC-2 and FC-3A respectively. As part of the County's procedures, the FC-2 must be signed by the eligibility worker and reviewed by the eligibility worker's supervisor.

# SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED) Year Ended June 30, 2010

## III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (Continued)

## Finding 2010-16 (Continued)

#### **Condition:**

Of the 60 case files selected for testwork, we noted one FC-2 did not have the eligibility worker's signature present and two case files where the eligibility worker's supervisor's review was not evidenced on the FC-2.

## **Questioned Costs:**

None

#### **Context:**

The condition noted above was identified during our examination of the Foster Care Title IV-E program recipient case files.

#### **Effect:**

As a result of the condition, the internal control and compliance with regards to the above forms/requirements were not consistently documented.

#### Cause:

The County's procedures did not ensure that the Statement of Facts Supporting Eligibility for AFDC-FC (FC-2) was consistently reviewed.

#### **Recommendation:**

We recommend that the County enhance its procedures to ensure that the FC-2 is consistently signed by the eligibility worker documenting the review.

## **Views of Responsible Officials and Planned Corrective Actions:**

SSA is committed to ensuring proper documentation and signatures are on file in our Foster Care cases. Eligibility for the cited cases was reviewed and correct benefits were issued. The re-determination forms have now been signed. In February 2011, we met with staff and supervisors and reminded them of the importance of ensuring application and re-determination forms are reviewed and signed. In March 2011, we implemented a new process providing supervisors with a report of all cases due for re-determination each month. Supervisors will use this report to ensure they have reviewed and signed the re-determination forms for the month. Additionally, we will continue our process of having second-line supervisors review a sample of re-determination cases for signature.

## SUMMARY OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS Year Ended June 30, 2010

Finding No.	Program	CFDA No.	Compliance Requirement	Status of Corrective Action
2009-01	SNAP Cluster, ARRA SNAP Cluster	10.551, 10.561	Reporting	Partially Implemented - See Current Year Finding 2010-07
2009-02	SNAP Cluster, ARRA SNAP Cluster	10.551, 10.561	Special Tests and Provisions	Not Implemented. See Current Year Finding 2010-11
2009-03	НОМЕ	14.239	Special Tests and Provisions	Implemented
2009-04	Regional Narcotics Supression Program	16.Unknown	Reporting	Implemented
2009-05	WIA Cluster, ARRA WIA Cluster, Aging Cluster, Homeland Security Cluster	17.258, 17.259, 17.260, 93.041, 93.042, 93.044, 93.045, 93.052, 93.053, 97.067		Partially Implemented - See Current Year Finding 2010-03
2009-06	WIA Cluster, ARRA WIA Cluster	17.258, 17.259, 17.260	Subrecipient Monitoring	Implemented
2009-07	Temporary Assistance for Needy Families	93.558	Eligibility and Special Tests and Provisions	Partially Implemented - See Current Year Finding 2010-06
2009-08	Foster Care Title IV-E	93.658	Reporting	Partially Implemented - See Current Year Finding 2010-09
2009-09	Foster Care Title IV-E	93.658	Eligibility	Partially Implemented - See Current Year Finding 2010-16
2009-10	Foster Care Title IV-E and Adoption Assistance Program	93.658, 93.659	Reporting	Implemented
2009-11	Medicaid Cluster	93.778	Eligibility	Partially Implemented - See Current Year Finding 2010-10
2009-12	Homeland Security Cluster	97.067	Eligibility	Implemented