Single Audit Report

For the Year Ended June 30, 2011

## SINGLE AUDIT REPORT

## For the Year Ended June 30, 2011

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### 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, 2011, which collectively comprise the County's basic financial statements and have issued our report thereon dated December 16, 2011. Our report included an explanatory paragraph regarding the County's adoption of Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, and GASB Statement No. 59, *Financial Instruments Omnibus*, as of July 1, 2010. 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**

Management of the County is responsible for establishing and maintaining effective 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 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.

#### **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, 2011.

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.

Varineh, Trin, Daz ; Co, UP Laguna Hills, California

December 16, 2011



### 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*, 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, 2011. 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, 2011. 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 2011-01 through 2011-14.

#### **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 over compliance 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 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 2011-01, 2011-04, 2011-08 through 2011-09 and 2011-11 through 2010-13. 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.

#### <u>Schedule of Expenditures of Federal Awards and Schedule of Grant Expenditures for Grants Provided by</u> 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, 2011, and have issued our report thereon dated December 16, 2011. Our report included an explanatory paragraph regarding the County's adoption of Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, and GASB Statement No. 59, *Financial Instruments Omnibus*, as of July 1, 2010. 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, 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, and the California Health and Human Services Agency, Department 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 26, 2012.

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.

Varinele, Trin, Day ; Co, UP Laguna Hills, California

March 26, 2012, except for the paragraph on the Schedule of Expenditures of Federal Awards 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, 2011.

#### Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2011

Federal Grantor County Program Name (Direct or Indirect) (1)	Catalog of Federal Domestic Assistance (CFDA)	Pass-Through Entity's Identifying Number (2)	Pass-Through Entity's Name	Disbursements/ Expenditures
Department of Agriculture				
Wilkerson Bridge/Modjeska Canyon (Direct)	10.069			\$ 387,195
Williams Canyon Emergency Work (Direct)	10.069			60,820
Emergency Construction Gabions Harding Creek (Direct)	10.069			637,979
Emergency Channel Clear/Rip Rap Construction Modjeska/Harding Creeks (Direct)	10.069			98
Subtotal 10.069				1,086,092
School Breakfast Program (Indirect)	10.553	30-34306-9003500-1	CA Dept. of Education	362,336
School Breakfast Program (Indirect)	10.553	02039-SN-30-R	CA Dept. of Education	47,932
National School Lunch Program (Indirect)	10.555	30-34306-9003500-1	CA Dept. of Education	567,184
National School Lunch Program (Indirect)	10.555	02039-SN-30-R	CA Dept. of Education	72,361
Subtotal 10.553 and 10.555 (Child Nutrition Cluster)				1,049,813
Women, Infants, and Children (WIC) (Indirect)	10.557	08-85430	CA Dept. of Public Health	5,939,475
ARRA: SNAP Admin (Indirect)	10.561	1946001347 A7	CA Dept. of Social Services	487,562
Network For A Healthy California (Indirect)	10.561	04-35889; 07-65333; 08-85179, 85180	CA Dept. of Public Health	1,026,584
Non-Assisted Benefits - CalWIN (Indirect)	10.561	1946001347 A7	CA Dept. of Social Services	1,581,198
Non-Assisted Benefits (Indirect)	10.561	1946001347 A7	CA Dept. of Social Services	26,374,734
Subtotal 10.561 (SNAP Cluster)				29,470,078
Value of Senior Farmer's Market Coupons (Indirect)	10.576		CA Dept. of Food and Agriculture	35,000
Subtotal - Department of Agriculture				37,580,458
Department of Commerce				
Public Health Emergency Response to H1N1 Phase I & II (Indirect)	11.206	EPO 09-30	CA Dept. of Public Health	423,702
Public Health Emergency Response to H1N1 Phase III (Indirect)	11.206	EPO P3-30	CA Dept. of Public Health	1,489,177
Subtotal 11.206				1,912,879
2007 Public Safety Interoperable Communications (PSIC) (Indirect) (3)	11.555	A-2008-075	City of Santa Ana	2,195,136
Subtotal - Department of Commerce				4,108,015

#### Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2011

Federal Grantor County Program Name (Direct or Indirect) (1)	Catalog of Federal Domestic Assistance (CFDA)	Pass-Through Entity's Identifying Number (2)	Pass-Through Entity's Name	Disbursements/ Expenditures
Department of Education				
Workforce Investment Act Title II: Adult Education & Family Literacy Act (Indirect)	84.002	2330	CA Dept. of Education	\$ 8,658
Individuals with Disabilities Education Act (IDEA) (Indirect)	84.027	10-14468-1030-00	Orange County Dept. of Education	12,199,499
Subtotal 84.027 (Special Education (IDEA) Cluster)				12,199,499
Subtotal - Department of Education				12,208,157
Department of Energy				
ARRA: Energy Efficiency and Conservation (Direct)	81.128			2,306,260
Subtotal - Department of Energy				2,306,260
Executive Office of the President				
2009 Domestic Highway Enforcement (DHE) Team (Indirect)	95.001	G09LA0006A	County of Los Angeles-City of Monrovia	13,454
High Intensity Drug Trafficking Area (HIDTA) (Direct)	95.001			951,053
Subtotal 95.001				964,507
Subtotal - Executive Office of the President				964,507
Department of Health and Human Services				
Title VII-B: Elder Abuse Prevention (Indirect)	93.041	AP1011-22	CA Dept. of Aging	38,724
Title VII-A: Ombudsman (Indirect)	93.042	AP1011-22	CA Dept. of Aging	110,433
Title III-D: Preventive Health (Indirect)	93.043	AP1011-22	CA Dept. of Aging	166,695
Title III-B: Senior Supportive Services (Indirect)	93.044	AP1011-22	CA Dept. of Aging	2,548,048
Title III-C1: Congregate Meals for Seniors (Indirect)	93.045	AP1011-22	CA Dept. of Aging	2,293,892
Title III-C2: Home Delivered Meals for Seniors (Indirect)	93.045	AP1011-22	CA Dept. of Aging	2,683,798
National Family Caregiver Support Program (Indirect)	93.052	AP1011-22	CA Dept. of Aging	1,193,863
NSIP Title III-C1: Nutrition Services Incentive Program (Indirect)	93.053	AP1011-22	CA Dept. of Aging	303,109
NSIP Title III-C2: Nutrition Services Incentive Program (Indirect)	93.053	AP1011-22	CA Dept. of Aging	906,816
Subtotal 93.041, 93.042, 93.043, 93.044, 93.045, 93.052 and 93.053 (Aging Cluster)				10,245,378

#### Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2011

Federal Grantor County Program Name (Direct or Indirect) (1)	Catalog of Federal Domestic Assistance (CFDA)	Pass-Through Entity's Identifying Number (2)	Pass-Through Entity's Name	Disbursements/ Expenditures
Public Health Preparedness and Response to Bioterrorism Grant (Indirect)	93.069	EPO 09-30; EPO 10-30	CA Dept. of Public Health	\$ 3,033,485
MIPPA-Medicare Improvements for Patients and Providers Act (Indirect)	93.071	MI 0910-22	CA Dept. of Aging	39,788
2MIPPA-Medicare Improvements for Patients and Providers Act (Indirect)	93.071	2M 1011-22	CA. Dept of Aging	82,398
Subtotal 93.071				122,186
Guardianship Assistance (Indirect)	93.090	1946001347 A7	CA Dept. of Social Services	8,926
TB Local Assistance (Base Award) (Indirect)	93.116		CA Dept. of Public Health	492,245
Projects for Assistance in Transition from Homelessness (PATH) Grant (Indirect)	93.150	2X06SM06000 05-10	CA Dept. of Mental Health	565,842
Childhood Lead Poisoning Prevention Program (CLPPP) (Indirect)	93.197	08-85076	CA Dept. of Public Health	273,964
Pediatric Immunization (IAP) (Indirect)	93.268	10-95390	CA Dept. of Public Health	674,744
Subtotal 93.268 (Immunization Cluster)				674,744
Breast Cancer Early Detection Program (BCEDP) (Indirect)	93.394	10-10255	CA Dept. of Public Health	5,000
Family Preservation (Indirect)	93.556	1946001347 A7	CA Dept. of Social Services	2,060,720
Cal Works - CalWIN (Indirect)	93.558	1946001347 A7	CA Dept. of Social Services	1,243,992
Cal Works (Indirect)	93.558	1946001347 A7	CA Dept. of Social Services	82,457,817
Cal Works (Admin) (Indirect)	93.558	1946001347 A7	CA Dept. of Social Services	102,318,835
ARRA: Emergency Contingency Fund Subsidized Employment (Indirect)	93.714	1946001347 A7	CA Dept. of Social Services	1,250,985
Subtotal 93.558 and 93.714 (TANF Cluster)				187,271,629
Community Based Child Abuse Prevention (Indirect)	93.590	1946001347 A7	CA Dept. of Social Services	116,082
Support Enforcement Incentive Fund (Indirect)	93.563	06-059	CA Dept. of Child Support Services	1,927,936
Child Support Enforcement Program (Indirect)	93.563	06-059	CA Dept. of Child Support Services	35,786,716
ARRA: Child Support Enforcement Program (Indirect)	93.563	06-059	CA Dept. of Child Support Services	1,388,313
Subtotal 93.563				39,102,965

#### Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2011

Federal Grantor County Program Name (Direct or Indirect) (1)	Catalog of Federal Domestic Assistance (CFDA)	Pass-Through Entity's Identifying Number (2)	Pass-Through Entity's Name	Disbursements/ Expenditures
Welfare Aid to Refugees - CalWIN (Indirect)	93.566	1946001347 A7	CA Dept. of Social Services	\$ 1,985
Welfare Aid to Refugees (Indirect)	93.566	1946001347 A7	CA Dept. of Social Services	398,676
Refugee Cash Assistance (Indirect)	93.566	1946001347 A7	CA Dept. of Social Services	99,385
Refugee Employment Social Services (Indirect)	93.566	RESS0805; RESS0905; RESS1005	CA Dept. of Social Services	443,916
Subtotal 93.566				943,962
Refugee Health Assessment Program (Indirect)	93.567	08-30-90840-1; 09-30-90840; 10-30-90840-00; 10-30-90842-00	CA Dept. of Public Health	351,603
Targeted Assistance (Indirect)	93.576	TARL0905; TARL1005	CA Dept. of Social Services	38,386
Adoptions Incentive (Indirect)	93.603	1946001347 A7	CA Dept. of Social Services	6,341
Child Welfare System Title IV-B (Indirect)	93.645	1946001347 A7	CA Dept. of Social Services	2,229,916
Children Welfare System Title IV-E (Indirect)	93.658	1946001347 A7	CA Dept. of Social Services	3,262,267
Children Welfare System Title IV-E (Indirect)	93.658	1946001347 A7	CA Dept. of Social Services	32,013,894
Welfare Aid to Children in Boarding Homes (Indirect)	93.658	1946001347 A7	CA Dept. of Social Services	11,996,198
ARRA: Welfare Aid to Children in Boarding Homes (Indirect)	93.658	1946001347 A7	CA Dept. of Social Services	821,214
Subtotal 93.658				48,093,573
Adoption Assistance (Indirect)	93.659	1946001347 A7	CA Dept. of Social Services	18,315,456
ARRA: Adoption Assistance (Indirect)	93.659	1946001347 A7	CA Dept. of Social Services	1,534,936
Adoptions (Indirect)	93.659	1946001347 A7	CA Dept. of Social Services	2,806,855
Subtotal 93.659				22,657,247
Social Services Block Grant (Indirect)	93.667	1946001347 A7	CA Dept. of Social Services	5,301,131
Independent Living Skills (Indirect)	93.674	1946001347 A7	CA Dept. of Social Services	589,772
ARRA: Community Services Block Grant Program (2010) (Indirect)	93.710		Community Action Partnership of Orange	313,523
Subtotal 93.710 (CSBG Cluster)				313,523

#### Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2011

Federal Grantor County Program Name (Direct or Indirect) (1)	Catalog of Federal Domestic Assistance (CFDA)	Pass-Through Entity's Identifying Number (2)	Pass-Through Entity's Name	Disbursements/ Expenditures
ARRA: Chronic Disease Self Management Program Svcs (Indirect)	93.725	CT-1011-15	Partners in Care	\$ 40,220
California Children Services (CCS) Healthy Families (Indirect)	93.767		CA Dept. of Health Care Services	1,542,588
Children in Foster Care Title XIX- EPSDT (Indirect)	93.778		CA Dept. of Health Care Services	173,501
Targeted Case Management (TCM) (Indirect)	93.778	30-0712	CA Dept. of Health Care Services	285,439
ARRA: Targeted Case Management (TCM) (Indirect)	93.778	30-0712	CA Dept. of Health Care Services	37,419
CMIPS II Project (Indirect)	93.778	1946001347 A7	CA Dept. of Health Care Services	329,266
Medi-Cal Administrative Activities (MAA) (Indirect)	93.778	09-86031	CA Dept of Health Care Services	314,296
Medi-Cal Administrative Activities (MAA) (Indirect)	93.778	09-86031	CA Dept. of Health Care Services	1,331,629
In-Home Supportive Services (IHSS) Program (Indirect)	93.778	1946001347 A7	CA Dept. of Social Services	555,121
Children in Foster Care Title XIX- HCPCFC (Indirect)	93.778		CA Dept. of Health Care Services	646,778
Child Health and Disability Prevention (CHDP) Program Title XIX (Indirect)	93.778		CA Dept. of Health Care Services	1,023,363
County Services Block Grant and Adult Protective Services - Health (Indirect)	93.778	1946001347 A7	CA Dept. of Social Services	2,394,984
Medi-Cal CalWIN (Indirect)	93.778	1946001347 A7	CA Dept. of Social Services	2,590,840
California Children Services (CCS) Medi-Cal (Indirect)	93.778		CA Dept. of Health Care Services	4,705,232
Medi-Cal In-Home Supportive Services (Indirect)	93.778	1946001347 A7	CA Dept. of Social Services	5,327,340
Medi-Cal In-Home Supportive Services (Admin) (Indirect)	93.778	1946001347 A7	CA Dept. of Social Services	5,965,144
ARRA: Medi-Cal In-Home Supportive Services (Indirect)	93.778	1946001347 A7	CA Dept. of Social Services	6,465,770
Medi-Cal Targeted Case Management (TCM) (Indirect)	93.778	30-0712	CA Dept. of Health Care Services	5,138,630
ARRA: Medi-Cal Targeted Case Management (TCM) (Indirect)	93.778	30-0712	CA Dept. of Health Care Services	988,971
Medi-Cal (Indirect)	93.778	MCAC 2010-11 01	CA Dept. of Health Care Services	47,670,250
Medi-Cal Administrative Activities (MAA) (Indirect)	93.778	09-86031	CA Dept of Health Care Services	360,796
Subtotal 93.778 (Medicaid Cluster)				86,304,769

#### Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2011

Federal Grantor County Program Name (Direct or Indirect) (1)	Catalog of Federal Domestic Assistance (CFDA)	Pass-Through Entity's Identifying Number (2)	Pass-Through Entity's Name	Disbursements/ Expenditures
Health Insurance Counseling and Advocacy Program (Indirect)	93.779	HI-1011-22	CA Dept. of Aging	\$ 198,360
National Bioterrorism Hospital Preparedness Program (HPP) (Indirect)	93.889	EPO 09-30; EPO 10-30	CA Dept. of Public Health	1,308,255
Minority AIDS Initiative (MAI) (Direct)	93.914			413,287
Ryan White Part A (Direct)	93.914			5,241,366
Subtotal 93.914				5,654,653
Prevention, Testing & Partner Services (Indirect)	93.917	10-95277	CA Dept. of Public Health-Office of AIDS	709,574
Care Services (Indirect)	93.917	10-95277	CA Dept. of Public Health-Office of AIDS	1,467,010
Subtotal 93.917				2,176,584
Ryan White Part C (HIV Primary Care) (Direct)	93.918			758,406
Block Grants for Community Mental Health Services (SAMHSA) (Indirect)	93.958	1946001347J5	CA Dept. of Mental Health	2,207,374
Alcohol and Drug Program (Indirect)	93.959	10-NNA30	CA Dept. of Alcohol & Drug	17,516,371
Gonorrhea Isolate Surveillance Project (GISP) (Indirect)	93.977	09-11137	CA Dept. of Public Health	1,075
Syphilis Elimination (Indirect)	93.977	09-11137	CA Dept. of Public Health	45,000
Chlamydia Screening Project (CLASP) (Indirect)	93.977	09-11137	CA Dept. of Public Health	49,974
Subtotal 93.977				96,049
Maternal and Child Health (MCH) Allocation Title V and XIX (Indirect)	93.994	2010-30	CA Dept. of Public Health	307,469
Adolescent Family Life Program (AFLP) Title V and XIX (Indirect)	93.994	2010-30	CA Dept. of Public Health	486,643
Subtotal 93.994				794,112
Subtotal - Department of Health and Human Services				443,096,361
Department of Homeland Security				
2010 Boating Safety and Enforcement Grant (Indirect)	97.012	10-204-796	CA Dept. of Boating and Waterways	18,427
2010 Winter Storms (FEMA) (Indirect)	97.039	059-00000	CA Emergency Management Agency	813,308
Hazard Mitigation Grant Program (Indirect)	97.039	059-00000	CA Emergency Management Agency	6,654,381
Subtotal 97.039				7,467,689

#### Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2011

Federal Grantor County Program Name (Direct or Indirect) (1)	Catalog of Federal Domestic Assistance (CFDA)	Pass-Through Entity's Identifying Number (2)	Pass-Through Entity's Name	Disbursements/ Expenditures
2009 Emergency Management Preparedness Grant (EMPG) (Indirect)	97.042	2009-15	CA Emergency Management Agency	\$ 213,440
2010 Emergency Management Preparedness Grant (EMPG) (Indirect)	97.042	2010-0044	CA Emergency Management Agency	343,449
Subtotal 97.042				556,889
State Homeland Security Grant (Indirect)	97.067	2008-0006; 2009-0019	CA Emergency Management Agency	475,612
2007 Law Enforcement Terrorism Prevention Plan (LETPP) (Indirect)	97.067	2007-0008	CA Emergency Management Agency	46,297
2007 State Homeland Security Program (SHSP) (Indirect)	97.067	059-00000	CA Emergency Management Agency	6,047
2007 State Homeland Security Program (SHSP) (Indirect)	97.067	2007-0008	CA Emergency Management Agency	506,404
2008 Homeland Security Grant - Anaheim/Santa Ana, UASI (Indirect)	97.067	059-95010	City of Anaheim	7,403
2008 Homeland Security Grant - LETPP (Indirect)	97.067	2008-0006	CA Emergency Management Agency	23,348
2008 Homeland Security Grant - SHSP (Indirect)	97.067	2008-0006	CA Emergency Management Agency	2,588,916
2009 State Homeland Security Program (SHSP) (Indirect)	97.067	2009-0019	CA Emergency Management Agency	1,559,431
2009 Operation Stonegarden Supplemental Grant 2009-1004 (Indirect)	97.067	2009-1004	County of San Diego- Sheriff Dept	178,220
2009 Urban Areas Security Initiative (UASI) Grant (Indirect)	97.067	2009-0019	City of Santa Ana	334,040
2010 Operation Stonegarden Supplemental Grant 2010-1085 (Indirect)	97.067	2010-1085	County of San Diego- Sheriff Dept	88,513
2009 - Santa Ana UASI (Indirect)	97.067	059-95010	City of Santa Ana	491,097
2010 State Homeland Security Program (SHSP) (Indirect)	97.067	2010-0085	CA Emergency Management Agency	421,690
2008 Urban Areas Security Initiative (UASI) Grant (Indirect)	97.067	2008-0006	City of Anaheim	81,702
Subtotal 97.067 (Homeland Security Cluster)				6,808,720
TSA: National Explosives Detection Canine Team Program (Direct)	97.072			150,500
FBI National Joint Terrorism Task Force (Direct)	97.074			10,450
2007 Transit Security Grant Program - VIPR (Indirect)	97.075	2007-RL-T7-K111	CA Emergency Management Agency	12,071
2007 Transit Security Grant Program (Ferry) - VIPR (Indirect)	97.075	2007-RL-T7-K002	CA Emergency Management Agency	91,981
Subtotal 97.075				104,052

#### Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2011

Federal Grantor County Program Name (Direct or Indirect) (1)	Catalog of Federal Domestic Assistance (CFDA)	Pass-Through Entity's Identifying Number (2)	Pass-Through Entity's Name	Disbursements/ Expenditures
TSA: Airport Checked Baggage Screening Program - Terminal C (Direct)	97.100			\$ 5,435,170
Disaster Housing Assistance Program - IKE (Direct)	97.109			17,331
Subtotal - Department of Homeland Security				20,569,228
Department of Housing and Urban Development				
Neighborhood Stabilization Program (Direct)	14.218			810,516
Community Development Block Grant (Direct)	14.218			5,849,859
ARRA: Community Development Block Grant Program (Direct)	14.253			685,321
Subtotal 14.218 and 14.253 (CDBG-Entitlement Grants Cluster)				7,345,695
Neighborhood Stabilization Program (Indirect)	14.228	09-NSP1-6263	CA Dept. of Housing & Community Development	508,247
Subtotal 14.228 (CDBG - State-Administered CDBG Cluster)				508,247
Emergency Shelter Grant Program (Direct)	14.231			166,046
Shelter Plus Care (Direct)	14.238			7,456,545
HOME Investment Partnership Act (Direct)	14.239			3,270,876
Housing Opportunities for Persons with AIDS (HOPWA) (Indirect)	14.241		City of Santa Ana	821,133
ARRA: Homelessness Prevention and Rapid Rehousing Program (Direct)	14.257			897,579
Section 8 Housing Choice Vouchers (Direct)	14.871			116,806,167
Subtotal 14.871 (Housing Voucher Cluster)				116,806,167
Disaster Voucher Program (Direct)	14.999			13,005
Subtotal - Department of Housing and Urban Development				137,285,293

#### Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2011

Federal Grantor County Program Name (Direct or Indirect) (1)	Catalog of Federal Domestic Assistance (CFDA)	Pass-Through Entity's Identifying Number (2)	Pass-Through Entity's Name	Disbursements/ Expenditures
Department of Justice				
Juvenile Sex Offender Management (Direct)	16.203			\$ 16,178
2010-11 Juvenile Accountability Block Grants Program (JABG) (Indirect)	16.523	CSA 144-10	Corrections Standards Authority	3,272
Juvenile Accountability Block Grant (JABG) (Indirect)	16.523	CSA 144-10	Corrections Standards Authority	25,803
Juvenile Accountability Block Grant (JABG) (Indirect)	16.523	CSA 144-10	Corrections Standards Authority	122,073
Juvenile Accountability Block Grant (JABG)/ AMYVPT (Indirect)	16.523	CSA 144-09 AMYVPT	Corrections Standards Authority	24,077
Subtotal 16.523				175,225
DMC-TAP II Title II Grant (Indirect)	16.540	CSA 360-09	Corrections Standards Authority	106,345
2008 Solving Cold Cases with DNA (Direct)	16.560			109,138
Victim Witness Assistance Program (Indirect)	16.575	VW10290300	CA Emergency Management Agency	612,465
Child Abuse Treatment Services (Indirect)	16.575	AT09060300; AT10070300	CA Emergency Management Agency	202,262
Gang Victim Services Special Emphasis (Indirect)	16.575	SE09190300	CA Emergency Management Agency	26,947
Unserved/Underserved Victim Advocacy & Outreach Program (Indirect)	16.575	UV10010300	CA Emergency Management Agency	83,901
Subtotal 16.575				925,575
ARRA: Violence Against Women Vertical Prosecution (Indirect)	16.588	059-00000	CA Emergency Management Agency	227,192
Residential Substance Abuse Treatment (RSAT) (Indirect)	16.593	RT09010300; RT10020300	CA Emergency Management Agency	57,350
Residential Substance Abuse Treatment (RSAT) (Indirect)	16.593	RT09010300; RT10020300	CA Emergency Management Agency	126,951
Subtotal 16.593				184,301
State Criminal Alien Assistance Program (SCAAP) (Direct)	16.606			5,301,119
2009 Bulletproof Vest Partnership (Direct)	16.607			29,585
Anti-Gang Initiative Strategy - PSN (Indirect)	16.609	059-00000	CA Emergency Management Agency	6,005

#### Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2011

Federal Grantor County Program Name (Direct or Indirect) (1)	Catalog of Federal Domestic Assistance (CFDA)	Pass-Through Entity's Identifying Number (2)	Pass-Through Entity's Name	Disbursements/ Expenditures
2007 Edward Byrne Memorial Justice Assistance Grant (JAG) (Direct)	16.738			\$ 12,763
2008 Edward Byrne Memorial Justice Assistance Grant (JAG) (Direct)	16.738			21,207
2009 Edward Byrne Memorial Justice Assistance Grant (JAG) (Direct)	16.738			78,681
2010 Anti-Drug Abuse Enforcement Program (Indirect)	16.738	059-00000	CA Emergency Management Agency	92,000
2010 Anti-Drug Abuse Enforcement Program (Indirect)	16.738	DC10210300	CA Emergency Management Agency	583,369
2010 Edward Byrne Memorial Justice Assistance Grant (JAG) (Direct)	16.738			37,307
ARRA: 2009 Edward Byrne Memorial Justice Assistance Grant (JAG) (Direct)	16.804			364,247
ARRA: CA Multi-Juris. Methamphetamine Enforcement Team (Cal-MMET) (Indirect)	16.804	ZM09010300	CA Emergency Management Agency	121,118
ARRA: CA Multi-Juris. Methamphetamine Enforcement Team (Cal-MMET) (Indirect)	16.804	059-00000	CA Emergency Management Agency	2,050
ARRA: CA Multi-Juris. Methamphetamine Enforcement Team (Cal-MMET) (Indirect)	16.804	ZM09010300	CA Emergency Management Agency	2,281
ARRA: Edward Byrne Memorial Justice Assistance Grant (JAG) (Indirect)	16.803	ZO09010300	CA Emergency Management Agency	2,075,018
ARRA: Edward Byrne Memorial Justice Assistance Grant (JAG) (Indirect)	16.803	ZO09010300	CA Emergency Management Agency	383,204
ARRA: Edward Byrne Memorial Justice Assistance Grant (JAG) (Indirect)	16.803	CT-060-11010464	County of Los Angeles	80,000
ARRA: 2009 Anti-Drug Abuse Enforcement Program (Indirect)	16.804	ZA09010300	CA Emergency Management Agency	253,079
ARRA: 2009 Anti-Drug Abuse Enforcement Program (Indirect)	16.804	ZA09010300	CA Emergency Management Agency	3,670
ARRA: 2009 Anti-Drug Abuse Enforcement Program (Indirect)	16.804	059-00000	CA Emergency Management Agency	24,000
ARRA: Evidence Based Supervision Program (Indirect)	16.804	ZP09010300	CA Emergency Management Agency	1,212,503
Subtotal 16.738, 16.803 and 16.804 (JAG Program Cluster)				5,346,497
2008 DN-BX-K062 DNA Backlog Reduction Program (Direct)	16.741			45,267
2009 DN-BX-K094 DNA Backlog Reduction Program (Direct)	16.741			86,995
2009 DN-BX-K033 DNA Unit Efficiency Improvement Program (Direct)	16.741			810,387
2010 DN-BX-K094 DNA Backlog Reduction Program 2010DNBXK067 (Direct)	16.741			72,443
Subtotal 16.741				1,015,092

#### Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2011

Federal Grantor County Program Name (Direct or Indirect) (1)	Catalog of Federal Domestic Assistance (CFDA)	Pass-Through Entity's Identifying Number (2)	Pass-Through Entity's Name	Disbursements/ Expenditures
2009 Coverdell National Forensic Science Improvement Grants Program (Indirect)	16.742	CQ08060300	CA Emergency Management Agency	\$ 66,738
2010 Coverdell National Forensic Science Improvement Grants Program (Indirect)	16.742	CQ10070300	CA Emergency Management Agency	73,397
2010 Coverdell National Forensic Science Improvement 2010CDBX0057 (Direct)	16.742			114,094
Subtotal 16.742				254,229
Cyber Crime Task Force (Direct)	16.999			7,606
DOJ-FBI-OCJTTF - Overtime (Direct)	16.999			60,643
Orange County Regional Computer Forensics Laboratory (OCRCFL) (Direct)	16.999			10,307
DOJ-FBI-Southern California Regional Sexual Felony Enforcement Team (Direct)	16.999			2,329
Department of Justice Forfeiture Program (Direct)	16.999			188,259
Sheriff's Narcotic Program (SNP) Forfeitures (Direct)	16.999			1,853,547
Regional Narcotics Suppression Program (RNSP) Forfeitures (Direct)	16.999			2,537,162
MethLab/PROACT Asset Forfeitures (Direct)	16.999			33,672
Federal Bureau of Investigation-Computer Crime Lab (Direct)	16.999			12,055
Federal Bureau of Investigation-Gang Task Force (Direct)	16.999			16,551
Subtotal 16.999				4,722,131
Subtotal - Department of Justice				18,418,612
Department of Labor				
ARRA: Workforce Investment Act Title I One Stop (2009) (Indirect)	17.207	K078409	CA Employment Development Dept.	122,052
Subtotal 17.207 (Employment Service Cluster)				122,052
Title V - Senior Community Services Employment Program (Indirect)	17.235	TV1011-22	CA Dept. of Aging	902,789
SCSEP-Senior Community Services Appropriations Act (Indirect)	17.235	AA 0910-22	CA. Dept of Aging	418,621
Subtotal 17.235				1,321,410

#### Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2011

Federal Grantor County Program Name (Direct or Indirect) (1)	Catalog of Federal Domestic Assistance (CFDA)	Pass-Through Entity's Identifying Number (2)	Pass-Through Entity's Name	Disbursements/ Expenditures
Workforce Investment Act Title I Adult (2008) (Indirect)	17.258	R970554	CA Employment Development Dept.	\$ 253,501
Workforce Investment Act Title I Adult (2009) (Indirect)	17.258	K074158	CA Employment Development Dept.	2,186,203
ARRA: Workforce Investment Act Title I Adult (2008) (Indirect)	17.258	R970554	CA Employment Development Dept.	1,032,253
ARRA: Workforce Investment Act Title I Adult (2009) (Indirect)	17.258	K074158	CA Employment Development Dept.	12,682
Workforce Investment Act Title I Adult (2010) (Indirect)	17.258	K178677	CA Employment Development Dept.	1,788,357
ARRA: Alternative and Renewable Fuel Vehicle Technology Program (AB118) (Indirect)	17.258	K181940	CA Employment Development Dept.	2,376
ARRA :Workforce Investment Act Title I Youth (2008) (Indirect)	17.259	R970554	CA Employment Development Dept.	534,990
Workforce Investment Act Title I Youth (2009) (Indirect)	17.259	K074158	CA Employment Development Dept.	1,087,205
Workforce Investment Act Title I Youth (2010) (Indirect)	17.259	K178677	CA Employment Development Dept.	1,152,615
Workforce Investment Act Title I Dislocated Worker (2008) (Indirect)	17.278	R970554	CA Employment Development Dept.	166,934
Workforce Investment Act Title I Dislocated Worker (2009) (Indirect)	17.278	K074158	CA Employment Development Dept.	3,175,330
ARRA: Dislocated Worker (Indirect)	17.278	R970554	CA Employment Development Dept.	797,304
ARRA: Workforce Investment Act Title I Dislocated Worker (2009) (Indirect)	17.278	K074158	CA Employment Development Dept.	1,139,492
Workforce Investment Act Title I Dislocated Worker (2010) (Indirect)	17.278	K178677	CA Employment Development Dept.	4,040,038
Subtotal 17.258, 17.259 and 17.278 (WIA Cluster)				17,369,280
Young Offender Planning Grant (Direct)	17.261			114,230
Youth - Young Offender (Direct)	17.261			189,161
Subtotal 17.261				303,391
Technology-Based Learning Initiative (Direct)	17.269			190,019
Community Based Job Training (Indirect)	17.269	CB-20565-10-60-A-6	Santa Monica College	8,768
Subtotal 17.269				198,787
Subtotal - Department of Labor				19,314,920

#### Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2011

Federal Grantor County Program Name (Direct or Indirect) (1)	Catalog of Federal Domestic Assistance (CFDA)	Pass-Through Entity's Identifying Number (2)	Pass-Through Entity's Name	Disbursements/ Expenditures
Department of the Interior				
Payments in Lieu of Taxes (PILT) (Direct)	15.226			\$ 123,655
Federal Forest Reserve Fund (Indirect)	15.916	12-5955	CA Dept. of Transportation	20,361
Subtotal - Department of the Interior				144,016
Department of Transportation				
Airport Improvement Programs 0233- 41 (Direct)	20.106			1,108,636
Transportation Equity Act for the 21st Century (TEA-21) (Indirect)	20.205	12-5955	CA Dept. of Transportation	258,892
ARRA: Transportation Equity Act for the 21st Century (TEA-21) (Indirect)	20.205	12-5955	CA Dept. of Transportation	1,837,401
Regional Transportation Surface Program (RSTP) (Indirect)	20.205	12-5955	CA Dept. of Transportation	399,475
Subtotal 20.205 (Highway Planning and Construction Cluster)				2,495,768
New Freedom (Indirect)	20.521	C-9-0647	Orange County Transportation Authority	774,040
Subtotal 20.521 (Traffic Services Programs Cluster)				774,040
2010 OTS - Real DUI Media Contest & Real DUI Trial in Schools (Indirect)	20.600	AL1098	CA Office of Traffic Safety	21,378
2010 OTS - Avoid the 12 DUI Campaign (Indirect)	20.600	AL1099	CA Office of Traffic Safety	260,040
2011 OTS - OC Alcohol Awareness & Safety (Indirect)	20.600	AL1187	CA Office of Traffic Safety	29,466
Orange County Medical Emergency Data System (OC-MEDS) Grant (Indirect)	20.610	TR1104	California Office of Traffic Safety	4,275
Subtotal 20.600 and 20.610 (Highway Safety Cluster)				315,159
Subtotal - Department of Transportation				4,693,603

#### Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2011

Federal Grantor County Program Name (Direct or Indirect) (1)	Catalog of Federal Domestic Assistance (CFDA)	Pass-Through Entity's Identifying Number (2)	Pass-Through Entity's Name	Disbursements/ Expenditures	
Election Assistance Commission					
VoteCal Statewide Voter Registration System Project (Indirect)	90.401	09G30353	CA Secretary of State	\$ 2,515	
Subtotal - Election Assistance Commission				2,515	
Environmental Protection Agency					
BEACH Act Grant (Indirect)	66.472	10-95350	CA Dept. of Public Health	25,000	
ARRA: Water Quality AB411 Grant (Indirect)	66.454	10-95318	CA Dept. of Public Health	102,091	
Contaminated Fish Monitoring (Direct)	66.802			10,151	
Subtotal - Environmental Protection Agency				137,242	
Institute of Museum and Library Services					
LSTA: Staff Education Program (Indirect)	45.310	40-7657	CA State Library	13,532	
LSTA: Family Place Library Program (Indirect)	45.310	40-7710	CA State Library	13,456	
Subtotal 45.310				26,988	
Subtotal - Institute of Museum and Library Services				26,988	
Grand Total				\$ 700,856,176	

LEGEND:

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

(2) The State of California does not assign a pass-through identification number for certain programs passed to the County.

Accordingly, a pass-through identification number is not listed for certain indirect programs.

(3) In FY 2009-10 Single Audit Report, 2007 Public Safety Interoperable Communications grant program was reported under the 2007 Urban Areas Security Initiative (CFDA # 97.067).

#### 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, 2011\*\*

			(	Grant Award		Exp	oenditures	
Grantor County Program Name Direct or Indirect	Catalog of Federal Domestic Assistance Number (CFDA #)	Pass-Through Entity's Indentifying Number	Federal	State	Total	Federal	State	Total
U.S. Department of Health and Human Services								
Pass-through the California Department of Aging:								
Title VIIB: Elder Abuse Prevention (indirect)	93.041	AP 1011-22	\$ 38,726 \$	- \$	38,726	\$ 38,724 \$	- \$	38,724
Title VIIA: Ombudsman (indirect)	93.042	AP 1011-22	110,433	-	110,433	110,433	-	110,433
Title IIID: Preventive Health (indirect)	93.043	AP 1011-22	166,695	-	166,695	166,695	-	166,695
Title IIIB: Senior Supportive Services (indirect)	93.044	AP 1011-22	2,590,493	-	2,590,493	2,548,048	-	2,548,048
Title IIIC1: Congregate Meals for Seniors (indirect)	93.045	AP 1011-22	2,293,970	241,664	2,535,634	2,293,892	241,664	2,535,556
Title IIIC2: Home Delivered Meals for Seniors (indirect)	93.045	AP 1011-22	2,683,798	241,731	2,925,529	2,683,798	241,731	2,925,529
National Family Caregiver Support Program (indirect)	93.052	AP 1011-22	1,193,863	-	1,193,863	1,193,863	-	1,193,863
NSIP Title III-C1: Nutrition Services Incentive Program (indirect)	93.053	AP 1011-22	303,109	-	303,109	303,109	-	303,109
NSIP Title III-C2: Nutrition Services Incentive Program (indirect)	93.053	AP 1011-22	906,816	-	906,816	906,816	-	906,816
Subtotal 93.041, 93.042, 93.043, 93.044, 93.045, 93.052, 93.053 (Aging Cluster)			10,287,903	483,395	10,771,298	10,245,378	483,395	10,728,773
MIPPA-Medicare Improvements for Patients and Providers Act (indirect)	93.071	MI 0910-22	39,790	-	39,790	39,788	-	39,788
2MIPPA-Medicare Improvements for Patients and Providers Act (indirect)	93.071	2M 1011-22	100,048	-	100,048	82,398	-	82,398
Health Insurance Counseling and Advocacy Program (indirect)	93.779	HI 1011-22	198,360	415,446	613,806	198,360	415,446	613,806
Total U.S. Department of Health and Human Services			10,626,101	898,841	11,524,942	10,565,924	898,841	11,464,765
U.S. Department of Labor								
Pass-through the California Department of Aging:								
Title V - Senior Community Services Employment Program (indirect)	17.235	TV-1011-22	957,570	-	957,570	902,789	-	902,789
Appropriation Act: Title V - Senior Community Services Employment Program (indirect)	17.235	AA 0910-22	426,856	-	426,856	418,621	-	418,621
Total U.S. Department of Labor			1,384,426	-	1,384,426	1,321,410	-	1,321,410
California Health and Human Services Agency, Department of Aging								
Ombudsman Volunteer Recruitment Initiative				247,363	247,363		247,255	247,255
Total California Health and Human Services Agency			-	247,363	247,363	-	247,255	247,255
Department of Transportation								
Pass-through the Orange County Transportation Authority: New Freedom (indirect)	20.521	C-9-0647	832,121	-	832,121	774,040	-	774,040
Total			\$ 12,842,648 \$	1,146,204 \$	13,988,852	\$ 12,661,374 \$	1,146,096 \$	13,807,470

\*\* 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, and the Schedule of Grant Expenditures For Grants Provided by the California Health and Human Services Agency, Department of Aging Year Ended June 30, 2011

#### 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. 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 20.

### Notes to Schedule of Expenditures of Federal Awards, and the Schedule of Grant Expenditures For Grants Provided by the California Health and Human Services Agency, Department of Aging (Continued) Year Ended June 30, 2011

## 7. PASS-THROUGH AWARDS TO SUBRECIPIENTS

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

County Program Title (Direct/(Indirect))	CFDA #	Amounts Provided to Subrecipients for the Year Ended June 30, 2011
Network For A Healthy California (Indirect)	10.561	\$ 268,894
Value of Senior Farmer's Market Coupons (Indirect)	10.576	35,000
Community Development Block Grant (Direct)	14.218	5,080,009
Emergency Shelter Grant Program (Direct)	14.231	158,252
HOME Investment Partnership Act (Direct)	14.239	3,100,000
Housing Opportunities for Persons with AIDS (HOPWA) (Indirect)	14.241	767,476
ARRA: Community Development Block Grant Program (Direct)	14.253	629,901
ARRA: Homelessness Prevention and Rapid Rehousing Program (Direct)	14.257	890,087
Juvenile Sex Offender Management (Direct)	16.203	16,178
DMC - TAP II Title II Grant (Indirect)	16.540	75,000
Child Abuse Treatment Services (Indirect)	16.575	202,262
ARRA: Violence Against Women Vertical Prosecution (Indirect)	16.588	19,814
Anti-Gang Initiative Strategy - PSN (Indirect)	16.609	3,049
2008 Edward Byrne Memorial Justice Assistance Grant (JAG) (Direct)	16.738	18,622
2009 Edward Byrne Memorial Justice Assistance Grant (JAG) (Direct)	16.738	14,497
2010 Anti-Drug Abuse Enforcement Program (Indirect)	16.738	344,871
ARRA: Edward Byrne Memorial Justice Assistance Grant (JAG) (Indirect)	16.803	1,947,719
ARRA: Evidence Based Supervision Program (Indirect)	16.804	41,214
ARRA: 2009 Edward Byrne Memorial Justice Assistance Grant (JAG) (Direct)	16.804	95,016
ARRA: 2009 Anti-Drug Abuse Enforcement Program (Indirect)	16.804	155,288
ARRA: 2009 CalMMET Program (Indirect)	16.804	484
ARRA: Workforce Investment Act Title I One Stop (2009) (Indirect)	17.207	110,962
Title V - Senior Community Services Employment Program (Indirect)	17.235	840,664
SCSEP - Senior Community Services Appropriations Act (Indirect)	17.235	390,928
ARRA: Workforce Investment Act Title I Adult (2008) (Indirect)	17.258	728,405
Workforce Investment Act Title I Adult (2008) (Indirect)	17.258	196,353
Workforce Investment Act Title I Adult (2009) (Indirect)	17.258	1,896,184
Workforce Investment Act Title I Adult (2010) (Indirect)	17.258	953,579
ARRA: Workforce Investment Act Title I Youth (2008) (Indirect)	17.259	361,477
Workforce Investment Act Title I Youth (2009) (Indirect)	17.259	784,448
Workforce Investment Act Title I Youth (2010) (Indirect)	17.259	746,558
Technology-Based Learning Initiative (Direct)	17.269	167,009
ARRA: Dislocated Worker (Indirect)	17.278	711,833
Workforce Investment Act Title I Dislocated Worker (2008) (Indirect)	17.278	55,247
ARRA: Workforce Investment Act Title I Dislocated Worker (2009) (Indirect)	17.278	937,583
Workforce Investment Act Title I Dislocated Worker (2009) (Indirect)	17.278	2,841,563
Workforce Investment Act Title I Dislocated Worker (2010) (Indirect)	17.278	3,188,232
New Freedom (Indirect)	20.521	703,269
	20.021	705,209

### Notes to Schedule of Expenditures of Federal Awards, and the Schedule of Grant Expenditures For Grants Provided by the California Health and Human Services Agency, Department of Aging (Continued) Year Ended June 30, 2011

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

		Amounts Provided to Subrecipients for the Year Ended
County Program Title (Direct/(Indirect))	CFDA #	June 30, 2011
Individuals with Disabilities Education Act (IDEA) (Indirect)	84.027	3,049,875
Title VII-B: Elder Abuse Prevention (Indirect)	93.041	38,724
Title VII-A: Ombudsman (Indirect)	93.042	110,433
Title III-D: Preventive Health (Indirect)	93.043	39,780
Title III-B: Senior Supportive Services (Indirect)	93.044	1,970,041
Title III-C1: Congregate Meals for Seniors (Indirect)	93.045	2,063,267
Title III-C2: Home Delivered Meals for Seniors (Indirect)	93.045	2,453,173
National Family Caregiver Support Program (Indirect)	93.052	831,438
NSIP Title III-C1: Nutrition Services Incentive Program (Indirect)	93.053	303,109
NSIP Title III-C2: Nutrition Services Incentive Program (Indirect)	93.053	906,816
MIPPA - Medicare Improvements for Patients and Providers Act (Indirect)	93.071	36,958
2MIPPA - Medicare Improvements for Patients and Providers Act (Indirect)	93.071	82,068
Projects for Assistance in Transition from Homelessness (PATH) Grant (Indirect)	93.150	565,842
Refugee Employment Social Services (Indirect)	93.566	375,758
Targeted Assistance (Indirect)	93.576	38,386
ARRA: Chronic Disease Self Management Program Svcs (Indirect)	93.725	32,030
Medi-Cal Administrative Activities (MAA) (Indirect)	93.778	314,296
ARRA: Targeted Case Management (TCM) (Indirect)	93.778	37,419
Targeted Case Management (TCM) (Indirect)	93.778	285,439
Health Insurance Counseling and Advocacy Program (Indirect)	93.779	179,804
Minority AIDS Initiative (MAI) (Direct)	93.914	361,481
Ryan White Part A (Direct)	93.914	1,905,928
Care Services (Indirect)	93.917	574,665
Prevention, Testing & Partner Services (Indirect)	93.917	298,499
Block Grants for Community Mental Health Services (SAMHSA) (Indirect)	93.958	1,206,357
Alcohol and Drug Program (Indirect)	93.959	9,079,081
Maternal and Child Health (MCH) Allocation Title V and XIX (Indirect)	93.994	6,305
2009 Emergency Management Preparedness Grant (EMPG) (Indirect)	97.042	213,440
2008 Homeland Security Grant - SHSP (Indirect)	97.067	387,548
2008 Homeland Security Grant - LETPP (Indirect)	97.067	5,648
2009 State Homeland Security Program (SHSP) (Indirect)	97.067	40,750
2007 Transit Security Grant Program - VIPR (Indirect)	97.075	3,640
Total		\$ 57,275,926

#### Notes to Schedule of Expenditures of Federal Awards, and the Schedule of Grant Expenditures For Grants Provided by the California Health and Human Services Agency, Department of Aging (Continued) Year Ended June 30, 2011

#### 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):

			Prior Year Loans	New Loans in	
		Oustanding	with Continuing	Fiscal Year	
CFDA		Loans at	Compliance	Ended	
No.	Federal Program	June 30, 2011	Requirements	June 30, 2011	
14.218	Community Development Block Grant	\$ 2,989,610	\$ 2,989,610	\$ -	
14.239	HOME Investment Partnership Act	13,778,275	10,678,275	3,100,000	

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS Year Ended June 30, 2011

## I. SUMMARY OF AUDITOR'S RESULTS

Type Intern N S	CIAL STATEMENTS of auditor's report issued: nal control over financial reporting Material weaknesses identified? ignificant deficiencies identified? compliance material to financial sta		Unqualified No None Reported No
FEDERA	AL AWARDS		
Inter	nal control over major programs:		
	Aterial weaknesses identified?		No
	ignificant deficiencies identified?		Yes
Type	of auditor's report issued on comp	liance for major programs:	Unqualified
51			
Anv	audit findings disclosed that are re-	quired to be reported in accordance with Circular A-133, Section .510(a)	Yes
	ification of major programs:	quired to be reported in accordance with circular in 155, Section 1510(a)	103
100111	interation of major programs.		
	CFDA Numbers	Name of Federal Program or Cluster	
	10.561	SNAP Cluster (includes ARRA)	
	14.218, 14.253	CDBG - Entitlement Grants Cluster (includes ARRA)	
	16.738, 16.803, 16.804	JAG Program Cluster (includes ARRA)	
	17.235	Senior Community Services Employment Program	
	17.258, 17.259, 17.278	WIA Cluster (includes ARRA)	
	20.205	Highway Planning and Construction Cluster (includes ARRA)	
	81.128	ARRA Energy Efficiency & Conservation Block Grant Program	
	93.041, 93.042, 93.043, 93.044,		
	93.045, 93.052, 93.053	Aging Cluster	
	93.563	Child Support Enforcement Program (includes ARRA)	
	93.558, 93.714	TANF Cluster (includes ARRA)	
	93.658	Foster Care Title IV-E (includes ARRA)	
	93.659	Adoption Assistance (includes ARRA)	
	93.778	Medicaid Cluster (includes ARRA)	
	93.959	Block Grants for the Prevention and Treatment of Substance Abuse	
	97.039	Hazard Mitigation Grant	
	97.067	Homeland Security Cluster	
	93.069	Public Health Emergency Preparedness	
	97.100	Transportation Security Administration	

Dollar threshold used to distinguish between Type A and Type B programs: Auditee qualified as low-risk auditee?

\$ 3,000,000 Yes

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS Year Ended June 30, 2011

## **II. FINANCIAL STATEMENT FINDINGS**

None reported.

#### SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED) Year Ended June 30, 2011

### III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

#### Finding: 2011-01

Program: SNAP Cluster (includes ARRA) CFDA No.: 10.561 Federal Grantor: U.S. Department of Agriculture Passed-through: State of California Award No.: various Award Year: FY 2010-11 Compliance Requirement: Special Tests and Provisions – ADP System for SNAP

### Criteria:

The March 2011 Office of Budget and Management (OMB) Circular A-133 Compliance Supplement Part 6 states that the auditee is responsible for "establishing and maintaining internal controls 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. SAWS2A—Rights, Responsibilities and Other 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.
- 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.

### **Condition:**

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

- 1. Three SAWS1 forms could not be located.
- 2. Two SAWS2A were not signed by the social worker.
- 3. QR-7s could not be located for two case files.
- 4. Three TEMP 2215 EBT forms could not be located.

#### **Questioned Costs:**

None

### **Context:**

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

#### SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED) Year Ended June 30, 2011

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

#### Finding 2011-01 (Continued)

#### 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:

Concur. It is likely that these missing forms were not electronically imaged or were misfiled when the conversion to electronic imaging took place. A reminder will be sent by the Social Services Agency (SSA) to all eligibility staff to ensure the forms are signed and properly filed for imaging.

SSA continues to demonstrate its effort and commitment to appropriately sign and maintain all the required forms and reports in CalFresh cases by the Agency's quality assurance practices including:

- Formal case reviews by supervisory staff of a sample of CalFresh cases.
- Informal case reviews by supervisory staff on an "as needed" basis according to recipient requests, employee development, or other factors.
- Reminders to staff included in monthly program summaries of the requirements to sign and maintain required forms and reports in CalFresh cases files, in the OnBase imaging system.

#### Finding 2011-02

Program: CDBG - Entitlement Grants Cluster (includes ARRA)
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: FY 2010-11
Compliance Requirement: Special Tests and Provisions - ARRA Subrecipient Monitoring

#### Criteria:

For awards with ARRA funding, the March 2011 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, 2011

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

#### Finding 2011-02 (Continued)

#### **Condition:**

It was noted that ARRA information was not consistently communicated during the fiscal year to subrecipients at the time of disbursement.

This finding was communicated to the County during the single audit for FY 2009-10. Upon notification, the County implemented procedures to ensure that ARRA information was communicated at the time of disbursement. Further, the County submitted correspondence to its subrecipients communicating the ARRA amounts disbursed.

#### **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. As noted in the condition, this finding was communicated to the County during the single audit for FY 2009-10.

Although procedures were implemented during the fiscal year to communicate ARRA information at the time of disbursement, based on the timing of the implementation this finding was repeated for the current fiscal year.

#### Effect:

The ARRA information noted in the criteria was not consistently communicated during the fiscal year ended June 30, 2011.

#### Cause:

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

#### **Recommendations:**

As noted above in the context, the County implemented procedures upon becoming aware of the requirement. We recommend continuing the implemented procedures.

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

Concur. OC Community Resources (OCCR) Accounting will continue to follow the procedures already implemented, to document at the time of 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, 2011

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

#### **Finding 2011-03**

Program: JAG Program Cluster (includes ARRA)
CFDA No.: 16.738, 16.803, 16.804
Federal Grantor: U.S. Department of Justice
Passed-through: State of California
Award No.: various
Award Year: FY 2010-11
Compliance Requirement: Allowable Cost and Reporting

#### Criteria:

The March 2011 OMB Circular A-133 Compliance Supplement 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 October 2010 was supported by an expense summary spreadsheet which included timecards and training costs. For 4 out of 70 timecards tested, the hourly pay rate per the expense spreadsheet was more than the actual pay rate.

#### **Questioned Costs:**

Questioned costs in the amount of \$46 represents costs charged in excess of actual costs supported.

#### **Context:**

The condition noted above was identified during our examination of the County's allowable cost and reporting process for the Probation Evidence Based Supervision Program.

#### Effect:

The County reported costs greater than the amounts certified on the timecard.

#### Cause:

The County's reporting procedures did not ensure that the approved hourly rate per the employees' personnel file agreed to the hourly rate reported on the claim.

#### **Recommendation:**

We recommend the County strengthen procedures to ensure that the proper hourly rates are used to calculate the amounts reported on the Report of Expenditures and Request for Funds.

#### SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED) Year Ended June 30, 2011

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

#### Finding 2011-03 (Continued)

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

In the Probation department, 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 \$45.96, 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.

#### **Finding 2011-04**

Program: JAG Program Cluster (includes ARRA)
CFDA No.: 16.738, 16.803, 16.804
Federal Grantor: U.S. Department of Justice
Passed-through: State of California
Award No.: Various
Award Year: FY 2010-11
Compliance Requirement: Special Tests and Provisions – ARRA Subrecipient Monitoring

#### Criteria:

For awards with ARRA Funding, the *March 2011 OMB Circular A-133 Compliance Supplement* states that entities must "document at the time of the sub-award and disbursement of funds, the federal award number, CFDA No., 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 for ARRA 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.

#### SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED) Year Ended June 30, 2011

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

#### Finding 2011-04 (Continued)

#### Cause:

The County's procedures did not specifically ensure that the CFDA No., federal award number, 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 disbursements are made as required by *OMB Circular A-133*.

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

Concur. The applicable procedures were updated in September 2011 to ensure that all future checks disbursed to sub-recipients receiving ARRA funding would include the CFDA number, Federal Award number, and the amount of ARRA funding. The Health Care Agency (HCA) would have fully implemented the changes in the procedures but the ARRA funding was also fully utilized in September 2011.

#### **Finding 2011-05**

Program: JAG Program Cluster (includes ARRA) CFDA No.: 16.738, 16.803, 16.804 Federal Grantor: U.S. Department of Justice Passed-through: State of California Award No.: various Award Year: FY 2010-11 Compliance Requirement: Reporting

#### Criteria:

The *Cal EMA 2010 Recipient Handbook* requires the County to submit the *Cal EMA Jobs Data Collection Sheet* by the 3<sup>rd</sup> working day of each month.

#### **Condition:**

It was noted that the *Cal EMA Jobs Data Collection* Sheet was submitted late for 3 of 4 reports tested. The reports were submitted after the deadline by 1 to 3 business days.

#### **Questioned Costs:**

None

#### SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED) Year Ended June 30, 2011

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

#### Finding 2011-05 (Continued)

#### **Context:**

The condition noted above was identified during our examination of the reports associated with the administration of the ARRA Edward Byrne JAG Grant for HCA. The program has several reports with various timelines. The condition noted above was limited to the *CalEMA Jobs Data Collection* sheet.

#### 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 the Cal EMA Jobs Data Collection Sheet at HCA were consistently submitted by the required due dates.

#### **Recommendation:**

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

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

Concur. HCA will strengthen procedures for future grants that require similar report submissions to ensure all filings are timely and documented.

#### **Finding 2011-06**

Program: WIA Cluster (includes ARRA)
CFDA No.: 17.258, 17.259, 17.278
Federal Grantor: U. S. Department of Labor
Passed-through: CA Employment Development Department
Award No.: various
Award Year: 2010
Compliance Requirement: Special Tests and Provisions - ARRA Subrecipient Monitoring

#### Criteria:

For awards with ARRA funding, the March 2011 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, 2011

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

#### Finding 2011-06 (Continued)

#### **Condition:**

It was noted that, for a portion of the period under audit, July 1, 2010 through March 16, 2011, the ARRA information was not communicated to subrecipients at the time of disbursement of funds.

This finding was communicated to the County during the single audit for the FY 2009-10. Upon notification, the County implemented procedures to ensure that ARRA information was communicated at the time of disbursement. Further, the County submitted correspondence to its subrecipients communicating the ARRA amounts disbursed.

#### **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. As noted in the condition, this finding was communicated to the County during the single audit for FY 2009-10. Althoughprocedures were implemented on March 17, 2011 to ensure the inclusion of required documentation at the time of disbursement, based on the timing of the implementation, this finding was repeated in the current year. Additionally, as noted in the condition, the County submitted correspondence to its subrecipients communicating the ARRA amounts disbursed.

#### Effect:

The ARRA information noted in the criteria was not consistently communicated during FY 2010-11.

#### Cause:

During the period, the County implemented procedures to ensure that the CFDA title and number, award name and federal agency, and amount of ARRA provided are identified at the time of disbursement.

#### **Recommendations:**

As noted above in the context, the County implemented procedures upon becoming aware of the requirement. Should any future grants be awarded with similar provisions, we recommend continuing the implemented procedures.

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

Concur. OCCR Accounting will continue the already implemented procedures for any future grants awarded with similar provisions.

# SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED) Year Ended June 30, 2011

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

# **Finding 2011-07**

Program: Aging Cluster CFDA No.: 93.041, 93.042, 93.043, 93.044, 93.045, 93.052, 93.053 Federal Grantor: U. S. Department of Health and Human Services Passed-through: CA Department of Aging Award No.: various Award Year: 2010 Compliance Requirement: Reporting

### Criteria:

The California Department of Aging (CDA) requires the Orange County Office on Aging to submit Quarterly Program Performance Reports. These reports are a compilation of subrecipient program data.

# **Condition:**

It was noted that the quarterly performance reports for FY 2010-11 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. It was noted that the reports were prepared and filed. However, the reports were submitted after the due date.

### **Effect:**

The submission of performance reports did not occur by the required deadline.

#### Cause:

The County was in the process of updating its data collection system to allow for the timely submittal of the quarterly performance reports to the CDA.

#### **Recommendations:**

We recommend that the County update its data collection system to allow for the timely submittal of quarterly performance reports.

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

Concur. Office on Aging has updated the existing data collection system. This will allow for timely submission of quarterly performance reports by the required deadline.

# SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED) Year Ended June 30, 2011

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

# **Finding 2011-08**

Program: TANF Cluster (includes ARRA)
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.: various
Award Year: FY 2010-11
Compliance Requirement: Eligibility and Special Tests and Provisions

# Criteria:

The *March 2011 OMB Circular A-133 Compliance Supplement Part 6* states that the auditee is responsible for "establishing and maintaining internal controls 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. SAWS2A—Rights, Responsibilities and Other 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.
- 4. 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.
- 5. 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.
- 6. CW 2102—The Maximum Family Grant (MFG) Rule for Recipients of Cash Aid. 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.
- 7. CW2.1 NA—Notice and Agreement for Child, Spousal and Medical Support. This form must be signed by the applicant and retained in the participant's file.

# SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED) Year Ended June 30, 2011

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

# Finding 2011-08 (Continued)

# **Condition:**

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

- 1. One SAWS1 form could not be located.
- 2. Two Statement of Facts forms could not be located.
- 3. One Statement of Facts forms was not certified by the applicant.
- 4. One SAWS2A form could not be located.
- 5. One SAWS2A form was not signed by the social worker.
- 6. QR-7s could not be located for three case files.
- 7. Two TEMP 2215 EBT forms could not be located.
- 8. One CW 2102 MFG could not be located.
- 9. One CW2.1 NA could not be located.

# **Questioned Costs:**

\$3,582

# **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 ensure, for the specific instances noted, 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.

# Views of Responsible Officials and Planned Corrective Actions:

Concur. SSA continues to demonstrate its effort and commitment to appropriately maintain all the required forms and reports in CalWORKs cases by the agency's quality assurance practices including:

- Formal case reviews by supervisory staff of a sample of CalWORKs cases.
- Informal case reviews by supervisory staff on an "as needed" basis according to recipient requests, employee development, or other factors.
- Reminders to staff during monthly program meetings of the requirements to maintain required forms and reports in CalWORKs cases files in the OnBase imaging system.

# SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED) Year Ended June 30, 2011

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

### **Finding 2011-09**

Program: Foster Care Title IV-E (includes ARRA)
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 2010-11
Compliance Requirement: Eligibility

### Criteria:

The *March 2011 OMB Circular A-133 Compliance Supplement* states that Foster Care benefits may be paid on behalf of a child only if all of the compliance requirements are met. One of the compliance requirements is that there must be a judicial determination regarding reasonable efforts to finalize a permanency plan within 12 months of the date on which the child is considered to have entered foster care and at least every 12 months thereafter while the child is in foster care. If a judicial determination regarding reasonable efforts to finalize a permanency plan is not made within this timeframe, the child is ineligible at the end of the 12<sup>th</sup> month from the date the child was considered to have entered foster care or at the end of the month in which the subsequent judicial determination of reasonable efforts was due, and the child remains ineligible until such a judicial determination is made.

# **Condition:**

Of the 60 case files selected for testwork, we noted two cases did not have a judicial determination regarding reasonable efforts to finalize the permanency plan within 12 months while the child was in foster care.

#### **Questioned Costs:**

\$1,715 represents payments made during the ineligible period

# **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, for the two specific cases noted, the judicial determination was not documented within the required timeframe. As a result, there is an increased risk of noncompliance.

#### Cause:

For the cases noted, the County's procedures did not ensure the judicial determination regarding reasonable efforts to finalize the permanency plan were documented within the required timeframe.

# SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED) Year Ended June 30, 2011

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

### Finding 2011-09 (Continued)

### **Recommendation:**

We recommend that the County enhance its procedures to ensure the judicial determination regarding reasonable efforts to finalize the permanency plan are obtained within the required timeframe.

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

Concur. SSA is committed to ensuring Federal judicial compliance is achieved within the 12-month timeframe allowed per Federal regulations. SSA's Eligibility unit concurs and the conversion of Federal to State claiming was completed. SSA is in the process of developing a new method for tracking the reasonable efforts judicial findings to ensure that SSA is in compliance with the appropriate claiming conversions.

# **Finding 2011-10**

Program: Foster Care Title IV-E (includes ARRA)
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 2010-11
Compliance Requirement: Eligibility

# Criteria:

The *March 2011 OMB Circular A-133 Compliance Supplement* states funds may be expended for Foster Care maintenance payments on behalf of eligible children, in accordance with the IV-E agency's Foster Care maintenance payment rate schedule and in accordance with 45 CFR section 1356.21, to individuals serving as foster family homes, to child-care institutions, or to public or private child-placement or child-care agencies.

# **Condition:**

Of the 60 case files selected for testwork, we noted one case where funds were expended for Foster Care maintenance payments on behalf of a child who was no longer in Foster Care placement.

#### **Questioned Costs:**

\$1,338

# **Context:**

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

# SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED) Year Ended June 30, 2011

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

### Finding 2011-10 (Continued)

### Effect:

As a result of the condition, for the specific case noted, funds were expended for Foster Care maintenance payments on behalf of a child who was no longer in Foster Care placement. As a result, there is an increased risk of noncompliance.

### Cause:

For the case noted, the County's procedures did not ensure funds were expended for Foster Care maintenance payments on behalf of an eligible child.

### **Recommendation:**

We recommend that the County enhance its procedures to ensure funds are expended for Foster Care maintenance payments on behalf of eligible children placed in Foster Care.

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

Concur. SSA is committed to ensuring proper expenditures of Foster Care maintenance payments are achieved. SSA's Eligibility unit concurs with the findings and has established a repayment agreement to recoup the maintenance payments. The Eligibility unit will continue to enhance its partnership and collaboration with the Children and Family Services unit to ensure the timely reporting of children leaving Foster Care placements to avoid inappropriate maintenance payment expenditures.

# **Finding 2011-11**

Program: Medicaid Cluster (includes ARRA)
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.: various
Award Year: FY 2010-11
Compliance Requirement: Eligibility

# SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED) Year Ended June 30, 2011

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

### Finding 2011-11 (Continued)

### Criteria:

The *March 2011 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 primary source documents including the following:

- 1. SAWS1—Program application. This form must be signed by the applicant and retained in the participant's file.
- 2. MC 210—Statement of Facts— is used to collect all the necessary information to determine eligibility. These reports are required to be signed by the participant and retained in the participant's file.
- 3. MC 210 RV Statement of Facts used during annual redetermination process. This form must be signed by the applicant and retained in the participant's file.

# **Condition:**

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

- 1. One SAWS1 form could not be located.
- 2. Two MC 210 forms could not be located.
- 3. One MC 210 RV certification page could not be located.

#### **Questioned Costs:**

None

# **Context:**

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

#### Effect:

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

#### Cause:

For the cases noted above, the County's eligibility procedures did not ensure that all required documents were 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.

# SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED) Year Ended June 30, 2011

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

### Finding 2011-11 (Continued)

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

Concur. In 2010, SSA began the process of converting Medi-Cal cases to electronic imaged files. For each active case, the most recent year of documents was electronically imaged and older documents were left in the case folder and sent to storage. Indexes were created to enable us to locate the case folders in the event the older documents were needed. During the audit, we discovered that one of these indexes was lost in a computer hard-drive failure. The four missing forms cited in the audit are older documents from three case folders associated with the lost index. Without the index, we are unable to locate the case folders among thousands of boxes in storage. The County plans to recreate the lost index in the coming months to correct the problem.

### **Finding 2011-12**

Program: Hazard Mitigation Grant
CFDA No.: 97.039
Federal Grantor: U.S. Department of Homeland Security
Passed-through: State of California
Award No.: FEMA-1577-DR-CA
Award Year: 2010
Compliance Requirement: Procurement and Suspension and Debarment

# Criteria:

The *March 2011 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 contracts entered into with County vendors and for the contract selected, we noted that a check of the EPLS was not performed, a certification was not obtained, nor was a verification clause included in the contract to ensure the vendor was not suspended or debarred.

#### **Questioned Costs:**

None

# **Context:**

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

# SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED) Year Ended June 30, 2011

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

### Finding 2011-12 (Continued)

### Effect:

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

### Cause:

For the contract noted above, the County did not check the *Excluded Parties List System (EPLS)*, collect a certification from the entity or add a clause or condition to the covered transaction with that entity

### **Recommendation:**

We recommend strengthening procedures to document that procurements and sub-awards of federally funded projects are not provided to vendors that are suspended or debarred by either 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

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

Concur. OC Public Works (OCPW) will update their procedures to include checking the EPLS to ensure that procurements and sub-awards of federally funded projects do not involve vendors who have been suspended or disbarred. In addition, OCPW will incorporate language into their Plans and Specifications documents that verifies the contractor hasn't been suspended or disbarred.

# **Finding 2011-13**

Program: Hazard Mitigation Grant
CFDA No.: 97.039
Federal Grantor: U.S. Department of Homeland Security
Passed-through: State of California
Award No.: 2010-11 Winter Storms (Event #1952)
Award Year: 2011
Compliance Requirement: Reporting

# Criteria:

The *OMB Circular A-133* requires that entities have internal controls in place to ensure that Federal transactions are properly accounted for to permit the preparation of financial statements and Federal reports (including the Schedule of Expenditures of Federal Awards (SEFA)).

# SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED) Year Ended June 30, 2011

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

### Finding 2011-13 (Continued)

### **Condition:**

While testing the balances reported on the SEFA under CFDA No. 97.039, it was noted that certain balances were originally revenue based (i.e. amounts were reported based on the receipt of a reimbursement instead of when the underlying expenditure occurred). Further, certain amounts were originally reported under the CFDA No. that were later determined by the County to not be applicable. As a result, adjustments to the SEFA were proposed and posted.

### **Questioned Costs:**

None

# **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 financial reporting procedures did not consistently ensure that the amounts provided for inclusion on the SEFA were current year expenditures under the CFDA.

### **Recommendation:**

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

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

Concur. OC Public Works (OCPW) Accounting will work with OCPW Operations & Maintenance to properly report the current fiscal year expenditure amounts related to federal funding for any FEMA event that occurred in that fiscal year and to report them in the proper CFDA number.

# SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED) Year Ended June 30, 2011

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

# **Finding 2011-14**

Program: Transportation Security Administration CFDA No.: 97.100 Federal Grantor: U.S. Department of Homeland Security Passed-through: N/A Award No.: HSTS04-09-H-CT1394 Award Year: FY 2010-11 Compliance Requirement: Reporting

### Criteria:

The *Other Transaction Agreement* between Department of Homeland Security Transportation Security Administration and County of Orange relating to John Wayne Airport (JWA) Terminal C Checked Baggage Screening Project requires that a monthly milestone and project progress status report be submitted by the 10<sup>th</sup> of each month.

# **Condition:**

The four monthly progress reports tested for FY 2010-11 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. The reports were submitted within 2 and 8 days after the deadline.

#### 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 the monthly progress reports were submitted on or before the due date.

#### **Recommendation:**

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

# SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED) Year Ended June 30, 2011

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

### Finding 2011-14 (Continued)

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

Concur. JWA recognizes the importance of compliance with grant requirements. Accordingly, JWA management will monitor the timeliness of the submittal of required reports with added scrutiny and intent.

The following corrective actions will be implemented prior to the submittal for the month of April 2012:

- 1. JWA will discuss the audit findings with the construction manager in charge of preparing the Monthly Milestone and Project Reports, and emphasize the importance of adherence to the Other Transaction Agreement's deliverables requirements.
- 2. JWA will establish a requirement that these monthly reports shall be delivered to the JWA project management staff no later than the 3<sup>rd</sup> of the month following the reporting month, in order to allow JWA's staff the time to review the monthly report for completeness and proper form before its submittal by the 10<sup>th</sup> of the month.

JWA's project management staff will send reminders/alerts to the construction manager by the 25<sup>th</sup> of each reporting month, with inquiry on the status of Monthly Milestone and Project Report, therefore enforcing emphasis and urging action for timely delivery of the these reports.

# SUMMARY OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS Year Ended June 30, 2011

Prior Year Findings Related to Internal Control over Financial Reporting				
Finding No.	Description	Status of Corrective Action		
2010-01	Rate Covenant Calculation - Orange County Waste and Recycling (OCWR)	Implemented		

Prior Year Findings Related to OMB Circular A-133					
Finding No.	Program	CFDA No.	Compliance Requirement	Status of Corrective Action	
2010-02	Homeland Security Cluster	97.067	Procurement, Suspension, and Debarment	Implemented	
2010-03	Homeland Security Cluster	97.067	Subrecipient Monitoring	Implemented	
2010-04	Homeland Security Cluster	97.067	Reporting	Implemented	
2010-05	JAG Program Cluster (includes ARRA)	16.804	Special Tests & Provisions- ARRA Subrecipient Monitoring	Not implemented. See Current Year Finding 2011-04.	
2010-06	TANF Cluster (includes ARRA)	93.558, 93.714	Eligibility and Special Tests and Provisions	Not Implemented. See Current Yea Finding 2011-08.	
2010-07	SNAP Cluster (includes ARRA)	10.561	Reporting	Implemented	
2010-08	JAG Program Cluster (includes ARRA)	16.804	Allowable Cost & Reporting	Not implemented. See Current Yea Finding 2011-03.	
2010-09	Foster Care Title IV-E (includes ARRA)	93.658	Reporting	Implemented	
2010-10	Medicaid Cluster (includes ARRA)	93.778	Eligibility	Not Implemented. See Current Yea Finding 2011-11.	
2010-11	SNAP Cluster (includes ARRA)	10.561	Special Tests & Provisions	Not Implemented. See Current Yea Finding 2011-01.	
2010-12	Public Health Emergency Preparedness	93.069	Procurement, Suspension, and Debarment	Implemented	
2010-13	Senior Community Service Employment Program (includes ARRA), WIA Cluster (includes ARRA), Aging Cluster (includes ARRA), CDBG Entitlement Grants Cluster (includes ARRA)	17.235, 17.258, 17.259, 17.260, 93.041, 93.042, 93.043, 93.044, 93.045, 93.052, 93.705, 93.707, 14.218, 14.253	Special Tests & Provisions- ARRA Subrecipient Monitoring	CDBG: Partially Implemented - see finding 2011-02 Senior Community Services: N/A- a there was no ARRA funding in the current period. WIA: Partially Implemented - see finding 2011-06 Aging: N/A- as there was no ARRA funding in the period.	
2010-14	CDBG Entitlement Grants Cluster (includes ARRA)	14.218, 14.253	Subrecipient Monitoring	Implemented	
2010-15	Senior Community Service Employment Program (includes ARRA)	17.235	Subrecipient Monitoring	Implemented	
2010-16	Foster Care Title IV-E (includes ARRA)	93.658	Eligibility	Not Implemented. See Current Yea Findings 2011-09 and 2011-10.	