COUNTY OF ORANGE (OC), CALIFORNIA (CA)

Single Audit Report

For the Year Ended June 30, 2012

SINGLE AUDIT REPORT

For the Year Ended June 30, 2012

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Certified Public Accountants

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

Board of Supervisors County of Orange, California

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of Orange, California (County), as of and for the year ended June 30, 2012, which collectively comprise the County's basic financial statements and have issued our report thereon dated December 18, 2012. Our report included an explanatory paragraph regarding the dissolution of the Orange County Development Agency (OCDA) on February 1, 2012, pursuant to Assembly Bill (AB) X1 26. 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 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 a 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 previously. However, we identified a deficiency in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs, as item 2012-01, that we consider to be a significant deficiency in internal control over financial reporting. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the County, in a separate letter dated December 18, 2012.

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

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

Laguna Hills, California December 18, 2012

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Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM, ON INTERNAL CONTROL OVER COMPLIANCE AND THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS IN ACCORDANCE WITH OMB CIRCULAR A-133, AND THE 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, California's (County), compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have direct and material effect on each of the County's major federal programs for the year ended June 30, 2012. 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 compliance 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, 2012. 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 2012-02 through 2012-12.

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 purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies as described in the accompanying schedule of findings and questioned costs as items 2012-02, 2012-04 through 2012-06, and 2012-08 through 2012-12. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Schedule of Expenditures of Federal Awards and Schedule of Grant Expenditures for Grants Provided by the California Health and Human Services Agency, Department of Aging

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of Orange, California (County), as of and for the year ended June 30, 2012, and have issued our report thereon dated December 18, 2012, which contained an unqualified opinion. Our report included an explanatory paragraph regarding the dissolution of the Orange County Development Agency (OCDA) on February 1, 2012, pursuant to AB X1 26. Our audit was conducted for the purpose of forming our opinions on the financial statements that collectively comprise the County's financial statements. The accompanying 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 are presented for purposes of additional analysis as required by OMB Circular A-133, and the California Health and Human Services Agency, Department of Aging, respectively, and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects, in relation to the financial statements as a whole.

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

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.

Laguna Hills, California

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March 27, 2013

Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2012

Federal Grantor/ County Program Name (Direct or Indirect) (1)	Catalog of Federal Domestic Assistance (CFDA) Number	Pass-Through Entity's Identifying Number (2)	Pass-Through Entity's Name	Federal Disbursements/ Expenditures	County Department
Department of Agriculture					
School Breakfast Program (Indirect)	10.553	30-34306-9003500-1	CA Dept. of Education	\$ 352,330	Probation
School Breakfast Program (Indirect)	10.553	02039-SN-30-R	CA Dept. of Education	35,638	Social Services Agency
National School Lunch Program (Indirect)	10.555	30-34306-9003500-1	CA Dept. of Education	557,238	Probation
National School Lunch Program (Indirect)	10.555	02039-SN-30-R	CA Dept. of Education	55,211	Social Services Agency
Subtotal 10.553 and 10.555 (Child Nutrition Cluster)				1,000,417	
Women, Infants, and Children (WIC) (Indirect)	10.557	11-10452, 08-85430	CA Dept. of Public Health	5,957,686	Health Care Agency
Network For A Healthy CA (Indirect)	10.561	11-10235, 11-10241, 08-85179, 08-85180	CA Dept. of Public Health	1,013,600	Health Care Agency
Non-Assisted Benefits - CA Work Opportunity and Responsibility to Kids Information Network (CalWIN) (Indirect)	10.561	1946001347 A7	CA Dept. of Social Services	1,612,465	Social Services Agency
Non-Assisted Benefits (Indirect)	10.561	1946001347 A7	CA Dept. of Social Services	22,491,065	Social Services Agency
Subtotal 10.561 (SNAP Cluster)				25,117,130	
Value of Senior Farmer's Market Coupons (Indirect)	10.576		CA Dept. of Aging	35,000	OC Community Resources
Subtotal - Department of Agriculture				32,110,233	
Department of Education					
Workforce Investment Act Title II: Adult Education and Family Literacy Act (Indirect)	84.002	2330	CA Dept. of Education	10,000	OC Community Resources
Subtotal - Department of Education				10,000	
Department of Energy					
ARRA: Energy Efficiency and Conservation (Direct)	81.128			521,214	OC Public Works
Subtotal - Department of Energy				521,214	
Executive Office of the President					
High Intensity Drug Trafficking Area (HIDTA) (Direct)	95.001			1,173,403	Sheriff
2010 Domestic Highway Enforcement (DHE) Team (Indirect)	95.001	G10LA0006A	County of Los Angeles, City of Monrovia	17,797	Sheriff
2011 Domestic Highway Enforcement (DHE) Team (Indirect)	95.001	G11LA0006A	County of Los Angeles, City of Monrovia	19,072	Sheriff
Subtotal - Executive Office of the President				1,210,272	
Department of Health and Human Services					
Title VII-B: Elder Abuse Prevention (Indirect)	93.041	AP1112-22	CA Dept. of Aging	36,560	OC Community Resources
Title VII-A: Ombudsman (Indirect)	93.042	AP1112-22	CA Dept. of Aging	102,640	OC Community Resources
Title III-D: Preventive Health (Indirect)	93.043	AP1112-22	CA Dept. of Aging	158,895	OC Community Resources
Title III-B: Senior Supportive Services (Indirect)	93.044	AP1112-22	CA Dept. of Aging	2,464,365	OC Community Resources
Title III-C1: Congregate Meals for Seniors (Indirect)	93.045	AP1112-22	CA Dept. of Aging	2,148,565	OC Community Resources
Title III-C2: Home Delivered Meals for Seniors (Indirect)	93.045	AP1112-22	CA Dept. of Aging	2,396,021	OC Community Resources

Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2012

Federal Grantor/ County Program Name (Direct or Indirect) (1)	Catalog of Federal Domestic Assistance (CFDA) Number	Pass-Through Entity's Identifying Number (2)	Pass-Through Entity's Name	Federal Disbursements/ Expenditures	County Department
Title III-C1: Nutrition Services Incentive Program (NSIP) (Indirect)	93.053	AP1112-22	CA Dept. of Aging	\$ 296,454	OC Community Resources
Title III-C2: Nutrition Services Incentive Program (NSIP) (Indirect)	93.053	AP1112-22	CA Dept. of Aging	857,354	OC Community Resources
Subtotal 93.044, 93.045 and 93.053 (Aging Cluster)				8,162,759	
National Family Caregiver Support Program (Indirect)	93.052	AP1112-22	CA Dept. of Aging	1,113,282	OC Community Resources
Public Health Emergency Preparedness (PHEP) (Indirect)	93.069	EPO 10-30, EPO 11-30	CA Dept. of Public Health	3,389,607	Health Care Agency
Public Health Emergency Preparedness (PHEP) - Risk-Based Initiative (Indirect)	93.069	EPO 11-30	CA Dept. of Public Health	31,733	Health Care Agency
Subtotal 93.069				3,421,340	
Guardianship Assistance (Indirect)	93.090	1946001347 A7	CA Dept. of Social Services	134,867	Social Services Agency
TB Local Assistance (Base Award) (Indirect)	93.116		CA Dept. of Public Health	535,206	Health Care Agency
Projects for Assistance in Transition from Homelessness (PATH) Grant (Indirect)	93.150	2X06SM060005-11	CA Dept. of Mental Health	567,142	Health Care Agency
Childhood Lead Poisoning Prevention Program (CLPPP) (Indirect)	93.197	11-10303	CA Dept. of Public Health	161,262	Health Care Agency
Pediatric Immunization - Immunization Assistance Program (IAP) (Indirect)	93.268	11-10601	CA Dept. of Public Health	533,768	Health Care Agency
Subtotal 93.268 (Immunization Cluster)				533,768	
Breast Cancer Early Detection Program (BCEDP) (Indirect)	93.394	11-10684	CA Dept. of Public Health	5,000	Health Care Agency
Options Counseling Pilot Project (Indirect)	93.517	11-H9010	CA Health and Human Services Agency	25,053	OC Community Resources
2MIPPA-Medicare Improvements for Patients and Providers Act (Indirect)	93.518	2M 1011-22	CA Dept. of Aging	121,798	OC Community Resources
Family Preservation (Indirect)	93.556	1946001347 A7	CA Dept. of Social Services	2,086,426	Social Services Agency
Refugee Health Assessment Program (Indirect)	93.567	10-30-90840, 11-30-90840	CA Dept. of Public Health	342,773	Health Care Agency
CalWorks - CalWIN (Indirect)	93.558	1946001347 A7	CA Dept. of Social Services	1,206,040	Social Services Agency
CalWorks (Indirect)	93.558	1946001347 A7	CA Dept. of Social Services	46,694,095	Social Services Agency
CalWorks (Admin) (Indirect)	93.558	1946001347 A7	CA Dept. of Social Services	92,634,364	Social Services Agency
Subtotal 93.558 (TANF Cluster)				140,534,499	
Support Enforcement Incentive Fund (Indirect)	93.563	06-059	CA Dept. of Child Support Services	2,926,739	Child Support Services
Child Support Enforcement Program (Indirect)	93.563	06-059	CA Dept. of Child Support Services	36,741,162	Child Support Services
Subtotal 93.563				39,667,901	
Welfare Aid to Refugees - CalWIN (Indirect)	93.566	1946001347 A7	CA Dept. of Social Services	2,784	Social Services Agency
Welfare Aid to Refugees (Indirect)	93.566	1946001347 A7	CA Dept. of Social Services	280,601	Social Services Agency
Refugee Cash Assistance (Indirect)	93.566	1946001347 A7	CA Dept. of Social Services	105,430	Social Services Agency
Refugee Employment Social Services (Indirect)	93.566	RESS0905, RESS1005, RESS1105	CA Dept. of Social Services	423,245	Social Services Agency
Subtotal 93.566				812,060	
Targeted Assistance (Indirect)	93.576	TARL1005, TARL1105	CA Dept. of Social Services	52,782	Social Services Agency

Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2012

Federal Grantor/ County Program Name (Direct or Indirect) (1)	Catalog of Federal Domestic Assistance (CFDA) Number	Pass-Through Entity's Identifying Number (2)	Pass-Through Entity's Name	Federal Disbursements/ Expenditures	County Department
Targeted Assistance Grant (Indirect)	93.584	TAFO1103	CA Dept. of Social Services	\$ 30,000	Social Services Agency
Community Based Child Abuse Prevention (Indirect)	93.590	1946001347 A7	CA Dept. of Social Services	114,101	Social Services Agency
Help America Vote Act (HAVA) Section 261 VOTE Grant Program (Indirect)	93.617	10G26104	CA Secretary of State	100,107	Registrar of Voters
Help America Vote Act (HAVA) Polling Place Accessibility Training Program (Indirect)	93.617	11G26127	CA Secretary of State	10,846	Registrar of Voters
Subtotal 93.617				110,953	
Child Welfare System Title IV-B (Indirect)	93.645	1946001347 A7	CA Dept. of Social Services	2,264,103	Social Services Agency
Children Welfare System Title IV-E (Indirect)	93.658	1946001347 A7	CA Dept. of Social Services	2,838,656	Probation
Children Welfare System Title IV-E (Indirect)	93.658	1946001347 A7	CA Dept. of Social Services	26,268,397	Social Services Agency
Welfare Aid to Children in Boarding Homes (Indirect)	93.658	1946001347 A7	CA Dept. of Social Services	11,673,039	Social Services Agency
Subtotal 93.658				40,780,092	
Adoption Assistance (Indirect)	93.659	1946001347 A7	CA Dept. of Social Services	18,646,482	Social Services Agency
Adoptions (Indirect)	93.659	1946001347 A7	CA Dept. of Social Services	2,588,478	Social Services Agency
Subtotal 93.659				21,234,960	
Social Services Block Grant (Indirect)	93.667	1946001347 A7	CA Dept. of Social Services	10,400,962	Social Services Agency
Independent Living Skills (Indirect)	93.674	1946001347 A7	CA Dept. of Social Services	578,194	Social Services Agency
ARRA: Chronic Disease Self Management Program Services (Indirect)	93.725	CT-1011-15	Partners in Care	41,797	OC Community Resources
CA Children Services (CCS) Healthy Families (Indirect)	93.767		CA Dept. of Health Care Services	1,415,942	Health Care Agency
CA Children Services (CCS) Medi-Cal (Indirect)	93.778		CA Dept. of Health Care Services	4,522,642	Health Care Agency
Children in Foster Care Title XIX- Early and Periodic Screening, Diagnosis, and Treatment (EPSDT) (Indirect)	93.778		CA Dept. of Health Care Services	187,813	Health Care Agency
Children in Foster Care Title XIX- Health Care Program for Children in Foster Care (HCPCFC) (Indirect)	93.778		CA Dept. of Health Care Services	505,799	Health Care Agency
Child Health and Disability Prevention (CHDP) Program Title XIX (Indirect)	93.778	201130	CA Dept. of Health Care Services	1,020,996	Health Care Agency
Child Welfare Services - Health (Indirect)	93.778	1946001347 A7	CA Dept. of Social Services	3,524,472	Social Services Agency
County Services Block Grant and Adult Protective Services - Health (Indirect)	93.778	1946001347 A7	CA Dept. of Social Services	2,381,426	Social Services Agency
Case Management, Information and Payrolling System (CMIPS) II Project (Indirect)	93.778	1946001347 A7	CA Dept. of Health Care Services	573,935	Social Services Agency
Medi-Cal Administrative Activities (MAA) (Indirect)	93.778	09-86031	CA Dept. of Health Care Services	358,403	Public Administrator/Public Guardian
Medi-Cal Administrative Activities (MAA) (Indirect)	93.778	09-86031	CA Dept. of Health Care Services	1,402,811	Health Care Agency
Medi-Cal CalWIN (Indirect)	93.778	1946001347 A7	CA Dept. of Social Services	2,317,161	Social Services Agency
Medi-Cal (Indirect)	93.778	MCAC 2011-12 01	CA Dept. of Health Care Services	51,190,323	Social Services Agency
Medi-Cal In-Home Supportive Services (Indirect)	93.778	1946001347 A7	CA Dept. of Social Services	5,234,712	Social Services Agency
Medi-Cal In-Home Supportive Services - Community First Choice Option (CFCO) Program (Indirect)	93.778	1946001347 A7	CA Dept. of Social Services	2,205,573	Social Services Agency
Medi-Cal In-Home Supportive Services (Admin) (Indirect)	93.778	1946001347 A7	CA Dept. of Social Services	6,178,417	Social Services Agency

Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2012

Federal Grantor/ County Program Name (Direct or Indirect) (1)	Catalog of Federal Domestic Assistance (CFDA) Number	Pass-Through Entity's Identifying Number (2)	Pass-Through Entity's Name	Federal Disbursements/ Expenditures	County Department
Medi-Cal Targeted Case Management (TCM) (Indirect)	93.778	30-0712	CA Dept. of Health Care Services	\$ 5,246,574	Health Care Agency
Medi-Cal Targeted Case Management (TCM) (Indirect)	93.778	30-0712	CA Dept. of Health Care Services	120,927	Public Administrator/Public Guardian
Subtotal 93.778 (Medicaid Cluster)				86,971,984	
Health Insurance Counseling and Advocacy Program (Indirect)	93.779	HI1112-22	CA Dept. of Aging	213,144	OC Community Resources
Hospital Preparedness Program (HPP) (Indirect)	93.889	EPO 10-30, EPO 11-30	CA Dept. of Public Health	416,304	Health Care Agency
Minority AIDS Initiative (MAI) (Direct)	93.914			389,389	Health Care Agency
Ryan White Part A (Direct)	93.914			5,489,413	Health Care Agency
Subtotal 93.914				5,878,802	
Prevention, Testing and Partner Services (Indirect)	93.917	10-95277	CA Dept. of Public Health, Office of AIDS	800,612	Health Care Agency
Care Services (Indirect)	93.917	10-95277	CA Dept. of Public Health, Office of AIDS	1,610,943	Health Care Agency
Human Immunodeficiency Virus (HIV) Expanded Testing (Indirect)	93.917	10-95277	CA Dept. of Public Health, Office of AIDS	144,236	Health Care Agency
Subtotal 93.917				2,555,791	
Ryan White Part C (HIV Primary Care) (Direct)	93.918			596,474	Health Care Agency
Block Grants for Community Mental Health Services - Substance Abuse and Mental Health Services Administration (SAMHSA) (Indirect)	93.958	2B09SM010005-11	CA Dept. of Mental Health	2,169,187	Health Care Agency
Alcohol and Drug Program (Indirect)	93.959	10-NNA30	CA Dept. of Alcohol & Drug	16,489,474	Health Care Agency
Gonorrhea Isolate Surveillance Project (GISP) (Indirect)	93.977	11-10049	CA Dept. of Public Health	1,419	Health Care Agency
Syphilis Elimination (Indirect)	93.977	11-10049	CA Dept. of Public Health	41,599	Health Care Agency
Chlamydia Screening Project (CLASP) (Indirect)	93.977	11-10049	CA Dept. of Public Health	36,317	Health Care Agency
Subtotal 93.977				79,335	
Maternal and Child Health (MCH) Allocation Title V and XIX (Indirect)	93.994	2011-30	CA Dept. of Public Health	319,396	Health Care Agency
Adolescent Family Life Program (AFLP) Title V and XIX (Indirect)	93.994	2011-30	CA Dept. of Public Health	404,458	Health Care Agency
Subtotal 93.994				723,854	
Subtotal - Department of Health and Human Services				391,641,466	
Department of Homeland Security					
2011 Boating Safety and Enforcement Grant (Indirect)	97.012	11-204-802	CA Dept. of Boating and Waterways	16,132	Sheriff
2010 Emergency Management Preparedness Grant (EMPG) (Indirect)	97.042	2010-0044	CA Emergency Management Agency	323,622	Sheriff
2011 Emergency Management Preparedness Grant (EMPG) (Indirect)	97.042	2011-0048	CA Emergency Management Agency	452,172	Sheriff
Subtotal 97.042				775,794	
State Homeland Security Grant (Indirect)	97.067	2009-0019	CA Emergency Management Agency	287,259	Health Care Agency
2008 Homeland Security Grant - Law Enforcement Terrorism Prevention Program (LETPP) (Indirect)	97.067	2008-0006	CA Emergency Management Agency	20,874	Sheriff
2008 Homeland Security Grant - State Homeland Security Program (SHSP) (Indirect)	97.067	2008-0006	CA Emergency Management Agency	926,685	Sheriff

Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2012

Federal Grantor/ County Program Name (Direct or Indirect) (1)	Catalog of Federal Domestic Assistance (CFDA) Number	Pass-Through Entity's Identifying Number (2)	Pass-Through Entity's Name	Federal Disbursements/ Expenditures	County Department
2008 Homeland Security Grant - Metropolitan Medical Response System (MMRS) (Indirect)	97.067	2008-0006	CA Emergency Management Agency	\$ 607,250	Sheriff
2007 State Homeland Security Program (SHSP) (Indirect)	97.067	059-00000	CA Emergency Management Agency	4,222	District Attorney
2009 State Homeland Security Program (SHSP) (Indirect)	97.067	2009-0019	CA Emergency Management Agency	1,336,920	Sheriff
2010 State Homeland Security Program (SHSP) (Indirect)	97.067	2010-0085	CA Emergency Management Agency	1,904,841	Sheriff
2009 Operation Stonegarden Supplemental Grant 2009-1004 (Indirect)	97.067	2009-1004	County of San Diego, Sheriff Dept.	33,493	Sheriff
2010 Operation Stonegarden Supplemental Grant 2010-1085 (Indirect)	97.067	2010-1085	County of San Diego, Sheriff Dept.	657,231	Sheriff
2011 Operation Stonegarden Supplemental Grant 2011-1077 (Indirect)	97.067	2011-1077	County of San Diego, Sheriff Dept.	5,522	Sheriff
Urban Areas Security Initiative (UASI) Grant (Indirect)	97.067	2009-0019	City of Santa Ana	62,213	Health Care Agency
Subtotal 97.067 (Homeland Security Cluster)				5,846,510	
TSA: National Explosives Detection Canine Team Program (Direct)	97.072			182,000	John Wayne Airport
FBI National Joint Terrorism Task Force (Direct)	97.074			5,923	District Attorney
2007 Transit Security Grant Program (Ferry) - Visible Intermodal Protection and Response (VIPR) (Indirect)	97.075	2007-RL-T7-K002	CA Emergency Management Agency	30,600	Sheriff
TSA: Airport Checked Baggage Screening Program - Terminal A, B and C (Direct)	97.100			563,184	John Wayne Airport
FY 2007-08 Regional Catastrophic Preparedness Grant Program (Indirect)	97.111	C-117608	City of Los Angeles	66,338	Health Care Agency
Subtotal - Department of Homeland Security				7,486,481	
Department of Housing and Urban Development					
Neighborhood Stabilization Program (Direct)	14.218			92,846	OC Community Resources
Community Development Block Grant (Direct)	14.218			3,691,003	OC Community Resources
ARRA: Community Development Block Grant Program (Direct)	14.253			74,291	OC Community Resources
Subtotal 14.218 and 14.253 (CDBG - Entitlement Grants Cluster)				3,858,140	
Neighborhood Stabilization Program (Indirect)	14.228	09-NSP1-6263	CA Dept. of Housing & Community Development	29,671	OC Community Resources
Subtotal 14.228 (CDBG - State-Administered CDBG Cluster)				29,671	
Emergency Shelter Grant Program (Direct)	14.231			177,487	OC Community Resources
Shelter Plus Care (Direct)	14.238			7,665,661	OC Community Resources
HOME Investment Partnerships Program (Direct)	14.239			6,950,900	OC Community Resources
Housing Opportunities for Persons with AIDS (HOPWA) (Indirect)	14.241		City of Santa Ana	875,090	Health Care Agency
ARRA: Homelessness Prevention and Rapid Rehousing Program (Direct)	14.257			378,592	OC Community Resources
Section 8 Housing Choice Vouchers (Direct)	14.871			122,440,825	OC Community Resources
Subtotal 14.871 (Housing Voucher Cluster)				122,440,825	
Subtotal - Department of Housing and Urban Development				142,376,366	

Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2012

Federal Grantor/ County Program Name (Direct or Indirect) (1)	Catalog of Federal Domestic Assistance (CFDA) Number	Pass-Through Entity's Identifying Number (2)	Pass-Through Entity's Name	Federal Disbursements/ Expenditures	County Department
Department of Interior					
Payments in Lieu of Taxes (PILT) (Direct)	15.226			\$ 127,248	Auditor-Controller
Federal Forest Reserve Fund (Indirect)	15.916	12-5955	CA Dept. of Transportation	58,436	OC Public Works
Subtotal - Department of Interior				185,684	
Department of Justice					
Juvenile Accountability Block Grant (JABG) (Indirect)	16.523	CSA 144-11	Corrections Standards Authority	3,305	Probation
Juvenile Accountability Block Grant (JABG) (Indirect)	16.523	CSA 144-11	Corrections Standards Authority	218,927	District Attorney
Juvenile Accountability Block Grant (JABG) (Indirect)	16.523	CSA 144-11	Corrections Standards Authority	33,840	Health Care Agency
Subtotal 16.523				256,072	
Enhanced Disproportionate Minority Contact Technical Assistance Project II (DMC-TAP II) (Indirect)	16.540	CSA 360-11	Corrections Standards Authority	127,283	Probation
2008 Solving Cold Cases with DNA (Direct)	16.560			58,026	Sheriff
DNA Expansion Project (Direct)	16.560			215,010	District Attorney
Subtotal 16.560				273,036	
Victim Witness Assistance Program (Indirect)	16.575	VW11300300	CA Emergency Management Agency	614,369	County Executive Office
Child Abuse Treatment Services (Indirect)	16.575	AT10070300, AT11080300	CA Emergency Management Agency	200,843	Social Services Agency
Unserved/Underserved Victim Advocacy and Outreach Program (Indirect)	16.575	UV10010300, UV11020300	CA Emergency Management Agency	130,047	County Executive Office
Subtotal 16.575				945,259	
ARRA: Violence Against Women Vertical Prosecution (Indirect)	16.588	VV11030300	CA Emergency Management Agency	188,634	District Attorney
Residential Substance Abuse Treatment (RSAT) (Indirect)	16.593	RT10020300	CA Emergency Management Agency	132,078	Health Care Agency
Residential Substance Abuse Treatment (RSAT) (Indirect)	16.593	RT10020300	CA Emergency Management Agency	62,452	Probation
Subtotal 16.593				194,530	
State Criminal Alien Assistance Program (SCAAP) (Direct)	16.606			3,431,551	Sheriff
Anti-Gang Initiative Strategy - Project Safe Neighborhood (PSN) (Indirect)	16.609	US10030300	CA Emergency Management Agency	9,830	District Attorney
2008 Edward Byrne Memorial Justice Assistance Grant (JAG) (Direct)	16.738			1,106	Sheriff
2009 Edward Byrne Memorial Justice Assistance Grant (JAG) (Direct)	16.738			195,031	Sheriff
2010 Edward Byrne Memorial Justice Assistance Grant (JAG) (Direct)	16.738			275,832	Sheriff
2011 Edward Byrne Memorial Justice Assistance Grant (JAG) (Direct)	16.738			172,576	Sheriff
2011 Anti-Drug Abuse Enforcement Program (Indirect)	16.738	DC11220300	CA Emergency Management Agency	333,185	Sheriff
2011 Anti-Drug Abuse Enforcement Program (Indirect)	16.738	DC11220300	CA Emergency Management Agency	50,500	District Attorney
ARRA: Edward Byrne Memorial Justice Assistance Grant (JAG) (Indirect)	16.803	ZO09010300	CA Emergency Management Agency	37,299	Health Care Agency
ARRA: Edward Byrne Memorial Justice Assistance Grant (JAG) (Indirect)	16.803	ZO09010300	CA Emergency Management Agency	16,796	Probation

Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2012

Federal Grantor/ County Program Name (Direct or Indirect) (1)	Catalog of Federal Domestic Assistance (CFDA) Number	Pass-Through Entity's Identifying Number (2)	Pass-Through Entity's Name	Federal Disbursements/ Expenditures	County Department
ARRA: 2009 Edward Byrne Memorial Justice Assistance Grant (JAG) (Direct)	16.804			\$ 633,849	Sheriff
ARRA: 2009 Anti-Drug Abuse Enforcement Program (Indirect)	16.804	ZA09010300	CA Emergency Management Agency	3,169	Probation
ARRA: 2009 Anti-Drug Abuse Enforcement Program (Indirect)	16.804	ZA09010300	CA Emergency Management Agency	149,862	Sheriff
ARRA: 2009 Anti-Drug Abuse Enforcement Program (Indirect)	16.804	ZA09010300	CA Emergency Management Agency	18,000	District Attorney
ARRA: 2009 CA Multi-Jurisdictional Methamphetamine Enforcement Team (Cal-MMET) Program (Indirect)	16.804	ZM09010300	CA Emergency Management Agency	23,053	District Attorney
ARRA: 2009 CA Multi-Jurisdictional Methamphetamine Enforcement Team (Cal-MMET) Program (Indirect)	16.804	ZM09010300	CA Emergency Management Agency	13,106	Probation
ARRA: 2009 CA Multi-Jurisdictional Methamphetamine Enforcement Team (Cal-MMET) Program (Indirect)	16.804	ZM09010300	CA Emergency Management Agency	29,713	Sheriff
ARRA: 2009 CA Multi-Jurisdictional Methamphetamine Enforcement Team (Cal-MMET) Program (Indirect)	16.804	ZM09010300	CA Emergency Management Agency	1,718	Social Services Agency
ARRA: Evidence Based Supervision Program (Indirect)	16.804	ZP09010300	CA Emergency Management Agency	1,863,900	Probation
Subtotal 16.738, 16.803 and 16.804 (JAG Program Cluster)				3,818,695	
2009 DN-BX-K033 DNA Unit Efficiency Improvement Program (Direct)	16.741			499,777	Sheriff
2009 DN-BX-K094 DNA Backlog Reduction Program (Direct)	16.741			244,529	Sheriff
2010 DN-BX-K094 DNA Backlog Reduction Program 2010DNBXK067 (Direct)	16.741			67,325	Sheriff
2011 DNA Backlog Reduction Program 2011DNBXK444 (Direct)	16.741			45,749	Sheriff
Subtotal 16.741				857,380	
2010 Coverdell National Forensic Science Improvement Grants Program (Indirect)	16.742	CQ10070300	CA Emergency Management Agency	122,678	Sheriff
2010 Coverdell National Forensic Science Improvement 2010CDBX0057 (Direct)	16.742			1,929	Sheriff
2011 Coverdell National Forensic Science Improvement Grants Program (Indirect)	16.742	CQ10070300	CA Emergency Management Agency	98,161	Sheriff
Subtotal 16.742				222,768	
Southwest Border Prosecution Initiative (SWBPI) (Direct)	16.755			268,346	District Attorney
Southwest Border Prosecution Initiative (SWBPI) (Direct)	16.755			779,281	Sheriff
Subtotal 16.755				1,047,627	
Sheriff's Narcotic Program (SNP) Forfeitures (Direct)	16.922			3,177,817	Sheriff
Regional Narcotics Suppression Program (RNSP) Forfeitures (Direct)	16.922			3,060,601	Sheriff
MethLab/PROACT Asset Forfeitures (Direct)	16.922			57,171	Sheriff
Department of Justice Forfeiture Program (Direct)	16.922			4,034	District Attorney
Subtotal 16.922				6,299,623	
DOJ-FBI-Orange County Joint Terrorism Task Force (OCJTTF) - Overtime (Direct)	16.999			57,834	Sheriff
DOJ-FBI-Southern CA Regional Sexual Felony Enforcement Team (Direct)	16.999			12,377	Sheriff
OC Regional Computer Forensics Laboratory (OCRCFL) (Direct)	16.999			32,615	District Attorney
Federal Bureau of Investigation - Computer Crime Lab (Direct)	16.999			17,912	Sheriff

Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2012

Federal Grantor/ County Program Name (Direct or Indirect) (1)			Federal Domestic Pass-Through Assistance (CFDA) Entity's Identifying Pass-Through			Federal Disbursements/ Expenditures	County Department
Federal Bureau of Investigation - Gang Task Force (Direct)	16.999			\$ 17,118	Sheriff		
Immigration and Customs Enforcement (ICE) (Direct)	16.999			4,277	District Attorney		
Subtotal 16.999				142,133			
Subtotal - Department of Justice				17,814,421			
Department of Labor							
FY 2010-11 Title V - Senior Community Services Employment Program (Indirect)	17.235	TV1011-22	CA Dept. of Aging	54,780	OC Community Resources		
FY 2011-12 Title V - Senior Community Services Employment Program (Indirect)	17.235	TV1112-22	CA Dept. of Aging	708,494	OC Community Resources		
Appropriation Act: Extended Title V - Senior Community Services Employment Program (Indirect)	17.235	AA 0910-22	CA Dept. of Aging	8,235	OC Community Resources		
Subtotal 17.235				771,509			
Workforce Investment Act Title I Adult (2009) (Indirect)	17.258	K074158	CA Employment Development Dept.	869,762	OC Community Resources		
Workforce Investment Act Title I Adult (2010) (Indirect)	17.258	K178677	CA Employment Development Dept.	2,239,875	OC Community Resources		
Workforce Investment Act Title I Adult (2011) (Indirect)	17.258	K282492	CA Employment Development Dept.	1,472,599	OC Community Resources		
ARRA: Alternative and Renewable Fuel Vehicle Technology Program (AB118) (Indirect)	17.258	K181940	CA Employment Development Dept.	269,529	OC Community Resources		
Workforce Investment Act Title I Youth (2010) (Indirect)	17.259	K178677	CA Employment Development Dept.	2,645,220	OC Community Resources		
Workforce Investment Act Title I Youth (2011) (Indirect)	17.259	K282492	CA Employment Development Dept.	1,775,299	OC Community Resources		
Workforce Investment Act Title I Dislocated Worker (2009) (Indirect)	17.278	K074158	CA Employment Development Dept.	41,748	OC Community Resources		
Workforce Investment Act Title I Dislocated Worker (2010) (Indirect)	17.278	K178677	CA Employment Development Dept.	2,829,981	OC Community Resources		
Workforce Investment Act Title I Dislocated Worker (2011) (Indirect)	17.278	K282492	CA Employment Development Dept.	3,979,115	OC Community Resources		
Subtotal 17.258, 17.259 and 17.278 (WIA Cluster)				16,123,128			
Technology-Based Learning Initiative (Direct)	17.269			231,949	OC Community Resources		
Community Based Job Training (Indirect)	17.269	CB-20565-10-60-A-6	Santa Monica College	356,585	OC Community Resources		
Subtotal 17.269				588,534			
CA Multi-Sector Workforce Partnership (Indirect)	17.277	11-W124	South Bay Workforce Investment Board, Inc.	129,660	OC Community Resources		
Subtotal - Department of Labor				17,612,831			
Department of Transportation							
Airport Improvement Programs 0233- 41 (Direct)	20.106			764,959	John Wayne Airport		
Elevated Roadways Seismic Retrofit (Indirect)	20.205	12-5955	CA Dept. of Transportation	2,287,180	John Wayne Airport		
Regional Transportation Surface Program (RSTP) (Indirect)	20.205	12-5955	CA Dept. of Transportation	8,122,321	OC Public Works		
Subtotal 20.205 (Highway Planning and Construction Cluster)				10,409,501			
New Freedom (Indirect)	20.521	C-9-0647	OC Transportation Authority	382,941	OC Community Resources		
Subtotal 20.521 (Transit Services Programs Cluster)				382,941			

Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2012

Federal Grantor/ County Program Name (Direct or Indirect) (1)	Catalog of Federal Domestic Assistance (CFDA) Number	Pass-Through Entity's Identifying Number (2)	Pass-Through Entity's Name	Federal Disbursements/ Expenditures	County Department
2010 OTS - Avoid the 12 Driving Under the Influence (DUI) Campaign (Indirect)	20.600	AL1099	CA Office of Traffic Safety	\$ 266,546	Sheriff
2011 OTS - OC Alcohol Awareness and Safety (Indirect)	20.600	AL1187	CA Office of Traffic Safety	9,714	Sheriff
OC Partnership to Deter Driving Under the Influence of Drugs (DUID) Program (Indirect)	20.601	20362	CA Office of Traffic Safety	156,863	District Attorney
OC Medical Emergency Data System (OC-MEDS) Grant (Indirect)	20.610	TR1104	CA Office of Traffic Safety	267,752	Health Care Agency
Subtotal 20.600, 20.601 and 20.610 (Highway Safety Cluster)				700,875	
Subtotal - Department of Transportation				12,258,276	
Department of the Treasury					
MethLab/PROACT Asset Forfeitures (Direct)	21.000			63,283	Sheriff
Regional Narcotics Suppression Program (RNSP) Forfeitures (Direct)	21.000			175,000	Sheriff
Sheriff's Narcotic Program (SNP) Forfeitures (Direct)	21.000			422,198	Sheriff
Department of Treasury Forfeiture Program (Direct)	21.000			88,288	District Attorney
Subtotal - Department of the Treasury				748,769	
Environmental Protection Agency					
Beaches Environmental Assessment and Coastal Health (BEACH) Act Grant (Indirect)	66.472	11-10775	CA Dept. of Public Health	25,000	Health Care Agency
Contaminated Fish Monitoring (Direct)	66.802			6,730	Health Care Agency
Subtotal - Environmental Protection Agency				31,730	
Grand Total				\$ 624,007,743	

⁽¹⁾ Indirect refers to Federal monies passed through various non-federal agencies, primarily State of CA agencies.
(2) The State of CA does not assign a pass-through identification number for certain programs passed to the County. Accordingly, a pass-through identification number is not listed for certain indirect programs.

Supplementary Schedule of Grant Expenditures For Grants Provided by the CA Health and Human Services Agency, Department of Aging (1) For The Year Ended June 30, 2012

			Grant Award		Expenditures			
Federal or State Grantor/Pass-through Entity/County Program Name/Direct or Indirect	Catalog of Federal Domestic Assistance Number (CFDA #)	Pass-Through Entity's Identifying Number (2)	Federal	State	Total	Federal	State	Total
U.S. Department of Agriculture								
Pass-through the CA Department of Aging:								
Value of Senior Farmer's Market Coupons (Indirect)	10.576		\$ 35,000	\$ -	\$ 35,000	\$ 35,000	\$ -	\$ 35,000
Total U.S. Department of Agriculture			35,000	-	35,000	35,000	-	35,000
U.S. Department of Health and Human Services								
Pass-through the CA Department of Aging:								
Title VII-B: Elder Abuse Prevention (Indirect)	93.041	AP1112-22	36,560	-	36,560	36,560	-	36,560
Title VII-A: Ombudsman (Indirect)	93.042	AP1112-22	102,640	-	102,640	102,640	-	102,640
Title III-D: Preventive Health (Indirect)	93.043	AP1112-22	158,895	-	158,895	158,895	-	158,895
Title III-B: Senior Supportive Services (Indirect)	93.044	AP1112-22	2,475,949	-	2,475,949	2,464,365	-	2,464,365
Title III-C1: Congregate Meals for Seniors (Indirect)	93.045	AP1112-22	2,148,565	241,911	2,390,476	2,148,565	241,911	2,390,476
Title III-C2: Home Delivered Meals for Seniors (Indirect)	93.045	AP1112-22	2,396,021	240,540	2,636,561	2,396,021	240,540	2,636,561
Title III-C1: Nutrition Services Incentive Program (NSIP) (Indirect)	93.053	AP1112-22	296,454	-	296,454	296,454	-	296,454
Title III-C2: Nutrition Services Incentive Program (NSIP) (Indirect)	93.053	AP1112-22	857,354	-	857,354	857,354	-	857,354
Subtotal 93.044, 93.045, 93.053 (Aging Cluster)			8,174,343	482,451	8,656,794	8,162,759	482,451	8,645,210
National Family Caregiver Support Program (Indirect)	93.052	AP1112-22	1,113,282	-	1,113,282	1,113,282	-	1,113,282
2MIPPA-Medicare Improvements for Patients and Providers Act (Indirect)	93.518	2M 1011-22	121,800	-	121,800	121,798	-	121,798
Health Insurance Counseling and Advocacy Program (Indirect)	93.779	HI1112-22	213,157	415,446	628,603	213,144	415,422	628,566
Total U.S. Department of Health and Human Services			9,920,677	897,897	10,818,574	9,909,078	897,873	10,806,951
U.S. Department of Labor								
Pass-through the CA Department of Aging:								
FY 2011-12 Title V - Senior Community Services Employment Program (Indirect)	17.235	TV1112-22	720,136	-	720,136	708,494	-	708,494
FY 2010-11 Title V - Senior Community Services Employment Program (Indirect)	17.235	TV1011-22	54,780	-	54,780	54,780	-	54,780
Appropriation Act: Extended Title V - Senior Community Services Employment Program (Indirect)	17.235	AA 0910-22	8,235	-	8,235	8,235	-	8,235
Total U.S. Department of Labor			783,151	-	783,151	771,509	-	771,509
CA Health and Human Services Agency								
Pass-through the CA Department of Aging:								
Long Term Care Ombudsman Program								
Special Deposit Fund (SDF) - State Health Facilities Citation Penalties Account			-	75,146	75,146	-	75,146	75,146
Skilled Nursing Facility Quality & Accountability Fund (SNFQAF)				176,128	176,128		176,128	176,128
Total CA Health and Human Services Agency			-	251,274	251,274	-	251,274	251,274
Total			\$ 10,738,828	\$ 1.149.171	\$ 11.887.999	\$ 10,715,587	\$ 1.149.147	\$ 11.864.734
			0,.00,020	÷ .,,	+,55.,550	- 10,1 10,001	+ .,,	+,00.,.04

⁽¹⁾ All federal and state grants provided to the County of Orange, CA by the CA Health and Human Services Agency, Department of Aging.

⁽²⁾ The State of CA 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.

Notes to the Schedule of Expenditures of Federal Awards, and the Schedule of Grant Expenditures For Grants Provided by the CA Health and Human Services Agency, Department of Aging Year Ended June 30, 2012

1. GENERAL

The accompanying Schedule of Expenditures of Federal Awards (SEFA) presents the activity of all federal award 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 SEFA 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 SEFA 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 15.

Notes to the Schedule of Expenditures of Federal Awards, and the Schedule of Grant Expenditures For Grants Provided by the CA Health and Human Services Agency, Department of Aging (Continued) Year Ended June 30, 2012

6. PASS-THROUGH AWARDS TO SUBRECIPIENTS

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

County Duogram Title (Direct/Indirect)	CEDA #	Amount Provided to Subrecipient for the Year Ended June 30, 2012
County Program Title (Direct/Indirect) Value of Senior Farmer's Market Coupons (Indirect)	CFDA # 10.576	\$ 35,000
Title VII-B: Elder Abuse Prevention (Indirect)	93.041	36,560
Title VII-A: Ombudsman (Indirect)	93.041	102,640
Title III-B: Senior Supportive Services (Indirect)	93.042	1,907,237
Title III-C1: Congregate Meals for Seniors (Indirect)	93.045	1,839,488
Title III-C2: Home Delivered Meals for Seniors (Indirect)	93.045	2,242,779
National Family Caregiver Support Program (Indirect)	93.052	769,610
Title III-C1: Nutrition Services Incentive Program (NSIP) (Indirect)	93.052	296,454
Title III-C2: Nutrition Services Incentive Program (NSIP) (Indirect)	93.053	857,354
Projects for Assistance in Transition from Homelessness (PATH) Grant (Indirect)	93.150	566,425
2MIPPA-Medicare Improvements for Patients and Providers Act (Indirect)	93.518	110,564
Refugee Employment Social Services (Indirect)	93.566	423,245
Targeted Assistance (Indirect)	93.576	52,782
Targeted Assistance Grant (Indirect)	93.584	30,000
Medi-Cal Administrative Activities (MAA) (Indirect)	93.778	358,403
Medi-Cal Targeted Case Management (TCM) (Indirect)	93.778	120,927
Health Insurance Counseling and Advocacy Program (Indirect)	93.779	195,881
Minority AIDS Initiative (MAI) (Direct)	93.914	327,886
Ryan White Part A (Direct)	93.914	2,435,856
Prevention, Testing and Partner Services (Indirect)	93.917	326,320
Care Services (Indirect)	93.917	478,206
Human Immunodeficiency Virus (HIV) Expanded Testing (Indirect)	93.917	125,236
Block Grants for Community Mental Health Services - Substance Abuse and Mental Health Services		,
Administration (SAMHSA) (Indirect)	93.958	1,212,417
Alcohol and Drug Program (Indirect)	93.959	10,125,035
2010 Emergency Management Preparedness Grant (EMPG) (Indirect)	97.042	323,622
2008 Homeland Security Grant - State Homeland Security Program (SHSP) (Indirect)	97.067	93,880
2008 Homeland Security Grant - Metropolitan Medical Response System (MMRS) (Indirect)	97.067	607,250
2009 State Homeland Security Program (SHSP) (Indirect)	97.067	157,601
2010 State Homeland Security Program (SHSP) (Indirect)	97.067	243,385
Community Development Block Grant (Direct)	14.218	2,834,382
Emergency Shelter Grant Program (Direct)	14.231	169,198
Housing Opportunities for Persons with AIDS (HOPWA) (Indirect)	14.241	817,841
ARRA: Community Development Block Grant Program (Direct)	14.253	70,000
ARRA: Homelessness Prevention and Rapid Rehousing Program (Direct)	14.257	316,492
Child Abuse Treatment Services (Indirect)	16.575	200,843
ARRA: Violence Against Women Vertical Prosecution (Indirect)	16.588	17,793
Anti-Gang Initiative Strategy - Project Safe Neighborhood (PSN) (Indirect)	16.609	2,909
2008 Edward Byrne Memorial Justice Assistance Grant (JAG) (Direct)	16.738	1,094
2009 Edward Byrne Memorial Justice Assistance Grant (JAG) (Direct)	16.738	169,913
2010 Edward Byrne Memorial Justice Assistance Grant (JAG) (Direct)	16.738	242,555
2011 Edward Byrne Memorial Justice Assistance Grant (JAG) (Direct)	16.738	122,676
2011 Anti-Drug Abuse Enforcement Program (Indirect)	16.738	178,460
ARRA: Edward Byrne Memorial Justice Assistance Grant (JAG) (Indirect)	16.803	37,299
ARRA: 2009 Edward Byrne Memorial Justice Assistance Grant (JAG) (Direct)	16.804	477,430
ARRA: 2009 Anti-Drug Abuse Enforcement Program (Indirect)	16.804	67,487
ARRA: 2009 CA Multi-Jurisdictional Methamphetamine Enforcement Team (Cal-MMET) Program (Indirect)	16.804	1,543

Notes to the Schedule of Expenditures of Federal Awards, and the Schedule of Grant Expenditures For Grants Provided by the CA Health and Human Services Agency, Department of Aging (Continued) Year Ended June 30, 2012

6. PASS-THROUGH AWARDS TO SUBRECIPIENTS (CONTINUED)

		Amount Provided
		to Subrecipient for
		the Year Ended
County Program Title (Direct/Indirect)	CFDA #	June 30, 2012
FY 2011-12 Title V - Senior Community Services Employment Program (Indirect)	17.235 \$	93,619
Workforce Investment Act Title I Adult (2009) (Indirect)	17.258	738,443
Workforce Investment Act Title I Adult (2010) (Indirect)	17.258	1,650,631
Workforce Investment Act Title I Adult (2011) (Indirect)	17.258	880,902
ARRA: Alternative and Renewable Fuel Vehicle Technology Program (AB118) (Indirect)	17.258	206,990
Workforce Investment Act Title I Youth (2010) (Indirect)	17.259	2,186,780
Workforce Investment Act Title I Youth (2011) (Indirect)	17.259	1,182,287
Technology-Based Learning Initiative (Direct)	17.269	146,252
Community Based Job Training (Indirect)	17.269	280,081
CA Multi-Sector Workforce Partnership (Indirect)	17.277	110,146
Workforce Investment Act Title I Dislocated Worker (2009) (Indirect)	17.278	41,589
Workforce Investment Act Title I Dislocated Worker (2010) (Indirect)	17.278	2,136,639
Workforce Investment Act Title I Dislocated Worker (2011) (Indirect)	17.278	3,451,273
New Freedom (Indirect)	20.521	358,027
OC Partnership to Deter Driving Under the Influence of Drugs (DUID) Program (Indirect)	20.601	33,240
Total	\$	45,626,857

7. 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):

		Outstanding	Prior Year Loans	New Loans in
		Loans at	with Continuing	Fiscal Year
CFDA#	Federal Program Name	June 30, 2012	Compliance Requirements	Ended June 30, 2012
14.218	Community Development Block Grant (Direct)	\$ 2,907,590	\$ 2,907,590	\$ -
14.239	HOME Investment Partnerships Program (Direct)	21,404,824	14,695,897	6,708,927

SCHEDULE OF FINDINGS AND QUESTIONED COSTS Year Ended June 30, 2012

I. SUMMARY OF AUDITOR'S RESULTS

Type of auditor's report issued:	Type of auditor's report issued:	
Internal control over financial	reporting:	
Material weaknesses identi	fied?	No
Significant deficiencies identified?		
Noncompliance material to financial statements noted?		No
DERAL AWARDS		
Internal control over major pro	grams:	
Material weaknesses identi	fied?	No
Significant deficiencies ide	entified?	Yes
Type of auditor's report issued	on compliance for major programs:	Unqualifie
Any audit findings disclosed th	nat are required to be reported in accordance with Circular A-133,	
Section .510(a)	1	Yes
T1 .: C .:		
Identification of major program	ns:	
Identification of major program	ns:	
CFDA Numbers	Name of Federal Program or Cluster	
CFDA Numbers	Name of Federal Program or Cluster	-
CFDA Numbers 10.561	Name of Federal Program or Cluster SNAP Cluster	
<u>CFDA Numbers</u> 10.561 81.128	Name of Federal Program or Cluster SNAP Cluster Energy Efficiency & Conservation Block Grant Program (includes ARRA)	- - -
CFDA Numbers 10.561 81.128 93.558	Name of Federal Program or Cluster SNAP Cluster Energy Efficiency & Conservation Block Grant Program (includes ARRA) TANF Cluster	- - -
CFDA Numbers 10.561 81.128 93.558 93.658	Name of Federal Program or Cluster SNAP Cluster Energy Efficiency & Conservation Block Grant Program (includes ARRA) TANF Cluster Foster Care Title IV-E	- - - -
CFDA Numbers 10.561 81.128 93.558 93.658 93.778	Name of Federal Program or Cluster SNAP Cluster Energy Efficiency & Conservation Block Grant Program (includes ARRA) TANF Cluster Foster Care Title IV-E Medicaid Cluster	- - - -
CFDA Numbers 10.561 81.128 93.558 93.658 93.778 93.914	Name of Federal Program or Cluster SNAP Cluster Energy Efficiency & Conservation Block Grant Program (includes ARRA) TANF Cluster Foster Care Title IV-E Medicaid Cluster HIV Emergency Relief Project Grants	- - - -
CFDA Numbers 10.561 81.128 93.558 93.658 93.778 93.914 14.239	Name of Federal Program or Cluster SNAP Cluster Energy Efficiency & Conservation Block Grant Program (includes ARRA) TANF Cluster Foster Care Title IV-E Medicaid Cluster HIV Emergency Relief Project Grants HOME Investment Partnerships Program	- - - - -
CFDA Numbers 10.561 81.128 93.558 93.658 93.778 93.914 14.239 16.606	Name of Federal Program or Cluster SNAP Cluster Energy Efficiency & Conservation Block Grant Program (includes ARRA) TANF Cluster Foster Care Title IV-E Medicaid Cluster HIV Emergency Relief Project Grants HOME Investment Partnerships Program State Criminal Alien Assistance Program (SCAAP)	- - - - - -
CFDA Numbers 10.561 81.128 93.558 93.658 93.778 93.914 14.239 16.606 16.738, 16.803, 16.804 16.922	Name of Federal Program or Cluster SNAP Cluster Energy Efficiency & Conservation Block Grant Program (includes ARRA) TANF Cluster Foster Care Title IV-E Medicaid Cluster HIV Emergency Relief Project Grants HOME Investment Partnerships Program State Criminal Alien Assistance Program (SCAAP) JAG Program Cluster (includes ARRA)	- - - - - - - - - - - - - - - - - - -

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED) Year Ended June 30, 2012

II. FINANCIAL STATEMENT FINDINGS

Finding 2012-01

YEAR-END CLOSING PROCESS RELATED TO BRIDGE AND TEMPORARY TRANSFERS

Criteria:

As part of the year-end closing process and preparation of the County's Comprehensive Annual Financial Report (CAFR), reconciliations are gathered from multiple sources to prepare financial statements and the related Deposits and Investments footnote. The County must reconcile cash and investments held by the Investment Trust Funds to custodian statements and accounting records to ensure the proper balances are reported in the CAFR.

Condition:

During our audit, we noted the cash on deposit balance was overstated by \$170,832,000. This amount equaled the total of the Temporary Transfers (\$147,000,000) and Bridge Transfers (\$23,832,000) recorded during the year. These transfers were a new item for the County.

Context:

The condition noted was identified during review of cash and investments for the Orange County Investment Pool (OCIP) and the Orange County Education Investment Pool (OCEIP). During fiscal year 2011-12, the Temporary and Bridge Transfers were utilized through the respective investment pools for the first time.

Effect:

An audit adjustment of \$170,832,000 to reduce Pooled Cash/Investments for the Investment Trust Funds (Fiduciary Funds) was prepared and posted to the CAFR.

Cause:

The specific transactions for the Temporary and Bridge Transfers were not properly recorded in the general ledger during the year and an eliminating entry was not made during the CAFR consolidation process, resulting in an overstatement of cash.

Recommendation:

The County should review certain aspects of the initiating accounting entries and year-end closing process, specifically as it relates to the Temporary and Bridge Transfers and the cash on deposit. Specific procedures should be implemented to address the accounting and year-end closing entries needed to properly reflect the issuance, repayment, and any outstanding balances of Temporary and Bridge Transfers.

View of Responsible Official and Planned Corrective Action:

Concur. The Auditor-Controller and Treasurer-Tax Collector have met and will implement new accounting entries going forward to ensure appropriate recording on a monthly and year-end basis. Additionally, we will revise the year-end closing process, as necessary.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED) Year Ended June 30, 2012

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Finding 2012-02

Program: JAG Program Cluster (includes ARRA)

CFDA No.: 16.738, 16.803, 16.804

Federal Grantor: U.S. Department of Justice

Passed-through: California Emergency Management Agency

Award No.: ZO09010300

Award Year: 10/1/2009 to 09/30/2011

Compliance Requirement: Special Tests and Provisions – ARRA Subrecipient Monitoring

Criteria:

For awards with American Recovery and Reinvestment Act (ARRA) Funding, the *June 2012 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 number, and the amount of ARRA funds."

Condition:

It was noted that the ARRA information was not communicated to subrecipients at the time of disbursement of funds as required by *OMB Circular A-133* for the OC Substance Abuse Offender Treatment Program listed on the SEFA as "ARRA: Edward Byrne Memorial Justice Assistance Grant (JAG) (Indirect)" for the Health Care Agency (HCA).

Questioned Costs:

None. Funds were disbursed to subrecipients in the proper amount. Noncompliance relates to proper identification of those funds as ARRA at the time of disbursement.

Context:

The condition noted above was identified during our examination of the Special Tests and Provisions for ARRA associated with the County's grant award as identified above. We further note the grant ended on September 30, 2011.

Effect:

The communication of the Federal Award number, CFDA number, and the amount of ARRA funds to subrecipients did not occur at the time disbursements were made.

Cause:

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

Recommendation:

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

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED) Year Ended June 30, 2012

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (CONTINUED)

Finding 2012-02 (Continued)

View of Responsible Official and Planned Corrective Action:

All applicable procedures were enhanced to include the required subrecipient communication at the time of disbursement. However, the grant ended in September 2011 and there have been no other grants requiring similar reporting requirements.

Finding 2012-03

Program: State Criminal Alien Assistance Program

CFDA No.: 16.606

Federal Grantor: Bureau of Justice Assistance, U.S. Department of Justice

Passed-through: N/A

Award No.: State Criminal Alien Assistance Program

Award Year: FY 2011-12

Compliance Requirement: Eligibility

Criteria:

The Bureau of Justice Assistance State Criminal Alien Assistance Program (SCAAP) Guidelines state only eligible persons who were incarcerated for 4 or more consecutive days between July 1, 2009 and June 30, 2010 may be included in the 2011 SCAAP application, which relates to funding expended in FY 2011-12.

Condition:

It was noted that the County included a person that did not meet the minimum period of incarceration in the 2011 SCAAP application.

Questioned Costs:

None. The Award amount is calculated by the Bureau of Justice assistance using statistical information of the population including correctional employees, salaries and eligible inmates.

Context:

The condition noted above was identified during our comparison of electronic listings from the Automated Jail System used to populate the SCAAP application to the period of incarceration in the related supporting documentation.

Effect:

A non-eligible person was included in the 2011 SCAAP application.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED) Year Ended June 30, 2012

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (CONTINUED)

Finding 2012-03 (Continued)

Cause:

The County's reporting procedures related to the application did not ensure that only eligible persons are included in the SCAAP application.

Recommendation:

We recommend that the County strengthen its procedures to ensure that electronic listings from the automated jail system agree to the period of incarceration supporting documentation to ensure only eligible persons are included in the SCAAP application.

View of Responsible Official and Planned Corrective Action:

Concur. The Sheriff's Department has strengthened data entry procedures to ensure that electronic listings from the automated jail system agree to the period of incarceration supporting documentation so that only eligible persons are included in the SCAAP application.

Finding 2012-04

Program: Department of Justice Asset Forfeiture Program; Edward Byrne Justice Assistance Grant (ARRA)

CFDA No.: 16.922, 16,738, 16.803, 16.804 **Federal Grantor:** U.S. Department of Justice

Passed-through: N/A

Award No.: Regional Narcotics Suppression Program (RNSP); Sheriff's Narcotics Program (SNP); MethLab/PROACT Asset Forfeitures (PROACT); 2008-DJ-BX-0103; 2009-SB-0271; 2009-DJ-BX-0039; 2010-

DJ-BX-0324; 2011-DJ-BX-2532

Award Year: FY 2011-2012; JAG 2008, 2009 ARRA, 2009 Non-ARRA, 2010, 2011

Compliance Requirement: Reporting

Criteria:

The Office of Management and Budget (OMB) Circular A-133 requires the auditee to "prepare the financial statement(s) for the Federal program that includes, at a minimum, a SEFA for the program and notes that describe the significant accounting policies used in preparing the schedule." Further, per OMB Circular A-133 section .310b(3), entities must "provide total Federal awards expended for each individual Federal program and the CFDA number" as part of the minimum requirements for the SEFA. Further, per OMB Circular A-133 Section .310b(5), "pass-through entities should identify in the schedule the total amount provided to subrecipients from each Federal program."

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED) Year Ended June 30, 2012

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (CONTINUED)

Finding 2012-04 (Continued)

Condition:

For the Department of Justice Asset Forfeiture program, the SEFA originally provided by the County included shared payments made to task force participants, which are not federal expenditures of the County. Instead these expenditures are reported as direct awards by task force participants. Further, payments made from the task force informant account, which are general task force federal expenditures, were not included on the SEFA. Lastly, expenditures related to the Department of Treasury Forfeiture Fund Program (CFDA #21.000) were reported under the Department of Justice Asset Forfeiture Program (CFDA# 16.922).

Per review of the current year expenditures related to the Edward Byrne JAG programs for award years 2008-2011, including ARRA in 2009, the SEFA originally provided by the County did not report current year payments made to subrecipients.

Ouestioned Costs:

None

Context:

The conditions noted above were identified during the testing of the balances reported on the SEFA and the program detail. Certain items were improperly reported on the SEFA. As such, adjustments to the SEFA were necessary to reflect the programs' federal expenditures.

Effect:

Adjustments to the SEFA were necessary to reflect the programs' federal expenditures, including properly reporting JAG-related subrecipient payments, reporting amounts under the proper CFDA numbers, and properly reflecting task force activities.

Cause:

The County's procedures did not ensure that task force related activities, CFDA numbers and subrecipient payments were correctly reported on the SEFA.

Recommendation:

We recommend that the County implement additional procedures and reviews to ensure that task force activities and subrecipient payments are properly addressed, and that the proper CFDA number is used during the SEFA preparation.

View of Responsible Official and Planned Corrective Action:

Concur. The Sheriff's Department has put into practice additional procedures and reviews so that task force activities and subrecipient payments are properly addressed, and that the proper CFDA number is used during the SEFA preparation.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED) Year Ended June 30, 2012

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (CONTINUED)

Finding 2012-05

Program: Department of Justice Asset Forfeiture Program

CFDA No.: 16.922

Federal Grantor: U.S. Department of Justice

Passed-through: N/A

Award No.: Regional Narcotics Suppression Program (RNSP)

Award Year: FY 2011-2012

Compliance Requirement: Special Tests and Provisions

Criteria:

As stated in the Department of Justice Equitable Sharing Wire released May 21, 2012, the U.S Department of Justice Asset Forfeiture Program requires the County to "confirm the recipient agencies" compliance each time a transfer occurs and retain a copy of the screen shot for compliance confirmation, as the website www.justice.gov/criminal/afmls is updated daily."

Condition:

The County did not confirm the recipient agencies' compliance by checking the website and retaining a copy of the screen shot for compliance confirmation for shared payments after May 21, 2012.

Ouestioned Costs:

None

Context:

The condition noted above was identified during our testing of the Special Tests and Provision requirements of the Department of Justice Equitable Sharing Program.

Effect:

For payments after May 21, 2012, the County did not check the website or maintain evidence that the recipient agencies' compliance was confirmed.

Cause:

The County did not maintain procedures to confirm the recipient agencies' compliance each time a transfer occurs by visiting the www.justice.gov/criminal/afmls website, and retaining a copy of the screen shot for compliance confirmation.

Recommendation:

We recommend that the County implement policies to check the website and maintain screen shots of each recipient's compliance.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED) Year Ended June 30, 2012

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (CONTINUED)

Finding 2012-05 (Continued)

View of Responsible Official and Planned Corrective Action:

Concur. The Sheriff's Department has implemented policies to check the website and maintain evidence that the recipient agencies' compliance is confirmed.

Finding 2012-06

Program: HOME Investment Partnerships Program

CFDA No.: 14.239

Federal Grantor: Department of Housing and Urban Development

Passed-through: N/A

Award No.: M-11-UC-06-0525

Award Year: FY 2011

Compliance Requirement: Reporting

Criteria:

The June 2012 OMB Circular A-133 Compliance Supplement states that for each grant over \$200,000 that involves housing rehabilitation, housing construction, or other public construction, the prime recipient must submit Form HUD 60002, Section 3 Summary Report, Economic Opportunities for Low- and Very Low-Income Persons (OMB No. 2529-0043)(24 CFR sections 135.3(a) and 135.90).

Condition:

Form HUD 60002 was not submitted for 3 of 4 project grants over \$200,000. The report is required to be submitted along with the annual Consolidated Annual Performance and Evaluation Report (CAPER) when projects exceed \$200,000.

Questioned Costs:

None

Context:

The condition was noted during our testing of reporting requirements.

Effect:

As a result of the condition, instances of noncompliance with certain reporting requirements were noted.

Cause:

The County did not maintain procedures to consistently submit the HUD 60002.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED) Year Ended June 30, 2012

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (CONTINUED)

Finding 2012-06 (Continued)

Recommendation:

We recommend that the County implement policies to submit the HUD 60002.

Views of Responsible Officials and Planned Corrective Actions:

Concur. The required HUD 60002 forms for Birch Hills, Buena Vista and Doria I, multi-family affordable housing developments, have been completed and submitted to the U.S. Department of Housing and Urban Development (HUD).

Following are the corrective actions:

- 1. Annual Federal reporting requirements will be added to the bi-monthly management meeting agenda.
- 2. The Policies and Procedures Manual has been amended to include specific Section 3 Summary Reports (Form HUD-60002) as required.

Finding 2012-07

Program: HIV Emergency Relief Project Grants – Ryan White Part A

CFDA No.: 93.914

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

Passed-through: N/A Award No.: H89HA00019

Award Year: 03/01/2011 – 02/29/2012 **Compliance Requirement:** Eligibility

Criteria:

Item 9, in the Program Specific terms, included in the Notice of Award, states that the client eligibility recertification is required every six months and must include verification of low income status, residency, medical necessity, and that the Ryan White HIV/AIDS Program is the payer of last resort.

Condition:

Of the 60 case files selected for testwork, we noted one participant received 6 service encounters during FY 2011-12 without being redetermined eligible within the required timeline.

Questioned Costs:

None. No payments were made to program participants. Federal expenditures on the SEFA pertain to salaries and benefits of County workers who performed medical services.

Context:

The condition noted above was identified during our examination of the program participant files.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED) Year Ended June 30, 2012

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (CONTINUED)

Finding 2012-07 (Continued)

Effect:

The County increases its risk of non-compliance with the Eligibility requirements applicable to the program.

Cause:

The County's procedures did not ensure, for the specific instance noted, that the participant was redetermined eligible for services, prior to providing services.

Recommendation:

We recommend that the County enhance its procedures to ensure participants are redetermined eligible before additional services are provided.

View of Responsible Official and Planned Corrective Action:

Concur. The HIV/STD program currently has detailed procedures to determine the eligibility of clients within the grant requirements. In one instance out of the 60 samples tested, the procedure was not followed. HCA will again emphasize the importance of the client's eligibility recertification by training staff on following established clinic procedures.

Finding 2012-08

Program: HIV Emergency Relief Project Grants – Ryan White Part A

CFDA No.: 93.914

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

Passed-through: N/A Award No.: H89HA00019

Award Year: 03/01/2011 – 02/29/2012

Compliance Requirement: Subrecipient Monitoring

Criteria:

The June 2012 OMB Circular A-133 Compliance Supplement Part 3 Subrecipient Monitoring Compliance Requirement Supplement states that a pass-through entity is responsible for "ensuring that subrecipient's expending \$500,000 or more in Federal awards during the subrecipient's fiscal year for fiscal years ending after December 31, 2003 as provided in OMB Circular A-133 have met the audit requirements of OMB Circular A-133 and that the required audits are completed within 9 months of the end of the subrecipient's audit report." Additionally, a pass-through entity is responsible "for subawards made on or after October 1, 2010, an applicant for a non-ARRA subaward provides a Dun Bradstreet Data Universal Numbering System (DUNS) number as part of its subaward application or, if not, before award (2 CFR section 25.110 and Appendix A to 2 CFR part 25)."

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED) Year Ended June 30, 2012

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (CONTINUED)

Finding 2012-08 (Continued)

Condition:

It was noted that the County did not have a process in place to inquire about potential Single Audit reports from subrecipients that received less than \$500,000 in Federal awards from the County of Orange, which account for 8 out of 9 subrecipients. Further, the County did not have the subrecipients provide a valid DUNS number before issuing the subawards.

Questioned Costs:

None

Context:

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

Effect:

There is an increased risk that the County may be unaware of any findings and status of corrective actions for subrecipients. Further, the DUNS number was not provided by the subrecipients before issuing the subaward, as required.

Cause:

The County's subrecipient monitoring procedures did not specifically ensure that fiscal monitoring procedures were performed over all subrecipients, or that the DUNS number was properly obtained from the subrecipient before issuing the subaward.

Recommendation:

We recommend that the County enhance its policies and procedures to ensure subrecipients Single Audit reports are obtained and reviewed. Additionally, we recommend that the County strengthen its procedures to ensure that the DUNS number requirements associated with the pass-through of funding are obtained from the subrecipient before issuing the subawards.

View of Responsible Official and Planned Corrective Action:

Concur. Although it was noted in the audit that none of the subrecipients who received less than \$500,000 in Federal Awards from the County were subject to a Single Audit, HCA will enhance its procedures to ensure proper fiscal monitoring of its subrecipients of Federal Awards. This will include verifying and obtaining Single Audit Reports, as applicable, regardless of the amount awarded by the County and ensuring the receipt of the subrecipient's valid DUNS number prior to subaward of federal funds.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED) Year Ended June 30, 2012

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (CONTINUED)

Finding 2012-09

Program: Foster Care Title IV-E

CFDA No.: 93.658

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

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

Award No.: 1946001347 A7 **Award Year:** FY 2011-2012

Compliance Requirement: Eligibility

Criteria:

The June 2012 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 12th 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 one case 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:

The amount of questioned costs is \$675, which represents the federal portion of the 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:

For the specific case noted, the judicial determination was not documented within the required timeframe. As a result, there is an increased risk of noncompliance.

Cause:

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

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED) Year Ended June 30, 2012

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (CONTINUED)

Finding 2012-09 (Continued)

Recommendation:

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

View of Responsible Official and Planned Corrective Action:

Concur. The Social Services Agency (SSA) remains committed to ensuring Federal judicial compliance is achieved within the 12-month timeframe allowed per Federal regulations. SSA's Eligibility concurs and the conversion of Federal to State claiming has been completed. SSA has developed and implemented a method for tracking the reasonable efforts judicial findings to ensure that SSA is in compliance with the appropriate claiming conversions. Additionally, the Eligibility unit is continually reassessing and identifying ways to enhance the effectiveness of its tracking method so that reasonable efforts judicial findings can be obtained within the required timeframe; therefore, remaining in full compliance.

Finding 2012-10

Program: TANF Cluster **CFDA No.:** 93.558

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

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

Award No.: 1946001347 A7 **Award Year:** FY 2011-12

Compliance Requirement: Eligibility and Special Tests and Provisions

Criteria:

The June 2012 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. 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.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED) Year Ended June 30, 2012

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (CONTINUED)

Finding 2012-10 (Continued)

- 5. 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.
- 6. 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.
- 7. WTW 2 Welfare-to-Work Plan Activity Assignment. This form must be signed by the applicant and retained in the participant's file.

Condition:

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

- 1. Two SAWS1 forms could not be located.
- 2. One Statement of Facts form could not be located.
- 3. Two Statement of Facts forms were not certified by the applicant.
- 4. QR-7s could not be located for two case files.
- 5. One TEMP 2215 EBT form could not be located.
- 6. One CW 2102 MFG could not be located.
- 7. Three CW2.1 NA forms could not be located.
- 8. One WTW 2 was not performed.

Ouestioned Costs:

The total amount of questioned costs was \$124. This represents payments made during the ineligible period.

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.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED) Year Ended June 30, 2012

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (CONTINUED)

Finding 2012-10 (Continued)

View of Responsible Official and Planned Corrective Action:

Concur. It is possible that missing forms were not electronically imaged or were misfiled. A reminder will be sent by the SSA to CalWORKs staff to ensure forms are signed and appropriately filed for imaging. SSA continues to demonstrate its effort and commitment to appropriately maintaining all required forms and reports in CalWORKs cases by the agency's quality assurance practices which include:

- 1. Formal case reviews by supervisory staff of a sample of CalWORKs cases.
- 2. Informal case reviews by supervisory staff on an "as needed" basis according to recipient requests, employee development, or other factors.
- 3. Reminders to staff during monthly program meetings of the requirements.

Finding 2012-11

Program: Medicaid Cluster

CFDA No.: 93.778

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

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

Award No.: MCAC 2011-12 01 **Award Year:** FY 2011-12

Compliance Requirement: Eligibility

Criteria:

The *June 2012 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. IEVS Report Income Eligibility Verification System (IEVS). This report is required to be generated and reviewed by the service worker. The service worker evidences review through signature on the report or through electronic signature on the CalWIN System.
- 4. Evidence of verification of social security numbers of each applicant and recipient.
- 5. Proof of citizenship and/or identification.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED) Year Ended June 30, 2012

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (CONTINUED)

Finding 2012-11 (Continued)

Condition:

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

- 1. Two SAWS1 forms could not be located.
- 2. Three MC 210 forms could not be located.
- 3. One MC 210 certification page could not be located.
- 4. IEVS could not be located for five case files.
- 5. Evidence of social security number verification was not obtained for one case file.
- 6. Sufficient proof of citizenship and/or identification could not be located for three case files.

Questioned Costs:

None. The County receives Medi-Cal funding for administrative costs associated with screening and performing eligibility determinations for participants. Federal expenditures on the SEFA pertain to salaries and benefits of the eligibility workers of the County.

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, 2012

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (CONTINUED)

Finding 2012-11 (Continued)

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 of our case files took place. A reminder will be sent by the SSA to all eligibility staff to ensure the forms are signed and properly filed for imaging. Additionally, OC will be moving to up-front imaging where documents will be imaged into our electronic document system (OnBase) before they are assigned to staff for processing. This will minimize lost or misfiled documents and pages.

SSA continues to demonstrate its effort and commitment to maintain appropriate documentation and forms in Medi-Cal cases through the Agency's quality assurance practices, which includes:

- 1. Formal case reviews of a random sample of Medi-Cal cases by supervisory staff.
- 2. Informal case reviews as needs arise, based on recipient requests, employee development, or other factors.
- 3. Reminders to staff included in monthly program summaries of the requirements to maintain required forms.
- 4. Reports in Medi-Cal case files, within the OnBase imaging system.

Finding 2012-12

Program: SNAP Cluster **CFDA No.:** 10.561

Federal Grantor: U.S. Department of Agriculture

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

Award No.: 1946001347 A7 **Award Year:** FY 2011-12

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

Criteria:

The June 2012 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. 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 over the phone or face-to-face interview. These reports are required to be signed by the participant and retained in the participant's file.
- 2. 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.
- 3. 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.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED) Year Ended June 30, 2012

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (CONTINUED)

Finding 2012-12 (Continued)

Condition:

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

- 1. One Statement of Facts was not obtained.
- 2. One QR-7 could not be located for one case file.
- 3. Two QR-7s certification pages could not be located.
- 4. Four TEMP 2215 EBT forms could not be located.

Questioned Costs:

None. The County receives SNAP funding for administrative costs associated with screening and performing eligibility determinations for participants. Federal expenditures on the SEFA pertain to salaries and benefits of the eligibility workers of the County.

Context:

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

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:

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

Recommendation:

We recommend that the County strengthen its procedures to ensure that the required forms and reports are obtained 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 SSA to all eligibility staff to ensure that the forms are signed and properly filed for imaging. Additionally, the OC will be scanning and storing documents into the electronic document system (On Base) before they are assigned to staff for processing. This will minimize lost or misfiled documents and pages.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED) Year Ended June 30, 2012

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (CONTINUED)

Finding 2012-12 (Continued)

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 which include:

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

SUMMARY OF PRIOR YEAR FINDINGS Year Ended June 30, 2012

		Findings Related to OMB		
Finding No.	Program	CFDA No.	Compliance Requirement	Status of Corrective Action
2011-01	SNAP Cluster (includes ARRA)	10.561	Special Tests and Provisions-ADP System for SNAP	Not Implemented. See Current Year Finding 2012-12.
2011-02	CDBG-Entitlement Grants Cluster (includes ARRA)	14.218, 14.253	Special Tests and Provisions-ARRA Subrecipient Monitoring	Implemented.
2011-03	JAG Program Cluster (includes ARRA)	16.738, 16.803, 16.804	Allowable Cost & Reporting	Implemented.
2011-04	JAG Program Cluster (includes ARRA)	16.738, 16.803, 16.804	Special Tests and Provisions-ARRA Subrecipient Monitoring	Not Implemented. See Current Year Finding 2012-02.
2011-05	JAG Program Cluster (includes ARRA)	16.738, 16.803, 16.804	Reporting	Implemented.
2011-06	WIA Cluster (includes ARRA)	17.258, 17.259, 17.278	Special Tests and Provisions-ARRA Subrecipient Monitoring	Implemented.
2011-07	Aging Cluster	93.041, 93.042, 93.043, 93.044, 93.045, 93.052, 93.053	Reporting	Implemented.
2011-08	TANF Cluster (includes ARRA)	93.558, 93.714	Eligibility and Special Tests and Provisions	Not Implemented. See Current Yea Finding 2012-10.
2011-09	Foster Care Title IV-E (includes ARRA)	93.658	Eligibility	Not Implemented. See Current Year Finding 2012-09.
2011-10	Foster Care Title IV-E (includes ARRA)	93.658	Eligibility	Implemented.
2011-11	Medicaid Cluster (includes ARRA)	93.778	Eligibility	Not Implemented. See Current Yea Finding 2012-11.
2011-12	Hazard Mitigation Grant	97.039	Procurement and Suspension and Debarment	N/A - as there was no funding in the current period.
2011-13	Hazard Mitigation Grant	97.039	Reporting	N/A - as there was no funding in the current period.
2011-14	Transportation Security Administration	97.100	Reporting	Implemented.