

**COUNTY OF ORANGE, CALIFORNIA**

Single Audit Report  
For the Year Ended June 30, 2017



Certified  
Public  
Accountants



**COUNTY OF ORANGE, CALIFORNIA**  
Single Audit Report  
For the Year Ended June 30, 2017

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**Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards**

Board of Supervisors  
County of Orange, California

We have audited, in accordance with the 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, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, 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, 2017, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated December 14, 2017. As discussed in Note 17 to the basic financial statements, the total net pension liability of the County as of June 30, 2017, which was measured as of December 31, 2016, was \$4.04 billion for the Orange County Employees Retirement System (OCERS). The fiduciary net position as a percentage of the total pension liability as of December 31, 2016, was 69.56% for OCERS. The actuarial valuation is very sensitive to the underlying actuarial assumptions, including a discount rate of 7.25%, which represents the long-term expected rate of return for OCERS. Our opinion is not modified with respect to this matter. Our report includes a reference to other auditors who audited the financial statements of the Children and Families Commission of Orange County (CFCOC) and the Orange County Health Authority, a Public Agency/dba Orange Prevention and Treatment Integrated Medical Assistance (CalOptima), as described in our report on the County's financial statements. This report does not include the results of the other auditors testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

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. 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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2017-001 that we consider to be a significant deficiency.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the County's financial statements are free from 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 an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, which is described in the accompanying schedule of findings and questioned costs as item 2017-001.

### **County's Response to Finding**

The County's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Newport Beach, California  
December 14, 2017



**Independent Auditor’s Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance; and Report on Supplementary 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

**Report on Compliance for Each Major Federal Program**

We have audited the County of Orange, California’s (County) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County’s major federal programs for the year ended June 30, 2017. 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.

The County’s basic financial statements include the operations of the Children and Families Commission of Orange County (CFCOC) and the Orange County Health Authority, a Public Agency/dba Orange Prevention and Treatment Integrated Medical Assistance (CalOptima) (discretely presented component units), which expended \$445,121 and \$1,949,675, respectively, in federal awards, which are not included in the accompanying schedule of expenditures of federal awards for the year ended June 30, 2017. Our audit, described below, did not include the operations of the CFCOC and CalOptima. CalOptima engaged other auditors to perform an audit in accordance with Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). The CFCOC did not issue a report in accordance with the Uniform Guidance because it did not meet the reporting threshold under the Uniform Guidance.

***Management’s Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditor’s Responsibility***

Our responsibility is to express an opinion on compliance for each of the County’s major federal programs based on our audit of the types of compliance requirements referred to above. 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 the audit requirements of the Uniform Guidance. Those standards and the Uniform Guidance 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 on compliance for each major federal program. However, our audit does not provide a legal determination of the County’s compliance.

***Basis for Qualified Opinion on CFDA Nos. 17.258/17.259/17.278 Workforce and Innovation Opportunity Act (WIOA) Cluster***

As described in the accompanying schedule of findings and questioned costs, the County did not comply with requirements regarding CFDA Nos. 17.258/17.259/17.278 Workforce and Innovation Opportunity Act (WIOA) Cluster as described in finding 2017-002 for Procurement and Suspension and Debarment. Compliance with such requirements is necessary, in our opinion, for the County to comply with the requirements applicable to that program.

***Qualified Opinion on CFDA Nos. 17.258/17.259/17.278 Workforce and Innovation Opportunity Act (WIOA) Cluster***

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on CFDA Nos. 17.258/17.259/17.278 Workforce and Innovation Opportunity Act (WIOA) Cluster for the year ended June 30, 2017.

***Unmodified Opinion on Each of the Other Major Federal Programs***

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2017.

***Other Matters***

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2017-003 through 2017-006. Our opinion on each major federal program is not modified with respect to this matter.

The County's responses to the noncompliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The County's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

**Report on Internal Control Over Compliance**

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or



significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be a material weakness and significant deficiencies.

*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 a 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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2017-002 and 2017-006 to be material weaknesses.

*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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2017-003 through 2017-005 to be significant deficiencies.

The County's responses to the internal control over compliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The County's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

### **Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance and Report on Supplementary 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 units, each major fund and the aggregate remaining fund information of the County as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated December 14, 2017, which contained unmodified opinions on those financial statements. Our report included a reference to other auditors who audited the financial statements of the CFCOC and the CalOptima, as described in our report on the County's financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards and the supplementary 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 the Uniform Guidance and the California Health and Human Services Agency, Department of Aging, respectively, and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic 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

basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and the supplementary schedule of grant expenditures for grants provided by the California Health and Human Services Agency, Department of Aging, are fairly stated in all material respects in relation to the basic financial statements as a whole.

*Macias Gini & O'Connell LLP*

Newport Beach, California  
March 29, 2018

COUNTY OF ORANGE (OC), CALIFORNIA (CA)

Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2017

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	Amount Provided to Subrecipients	County Department
<b>U.S. Department of Agriculture</b>						
Plant and Animal Disease, Pest Control, and Animal Care						
Phytophthora Ramorum Program (Indirect)	10.025	16-0392-SF	CA Dept. of Food & Agriculture	\$ 6,602	\$ -	OC Public Works
Pierce's Disease Control Program (Indirect)	10.025	16-0329-SF	CA Dept. of Food & Agriculture	478,650	-	OC Public Works
<b>Subtotal 10.025</b>				<b>485,252</b>	<b>-</b>	
School Breakfast Program (Indirect)	10.553	02039-SN-30-R	CA Dept. of Education	43,236	-	Social Services Agency
School Breakfast Program (Indirect)	10.553	30-34306-9003500-1	CA Dept. of Education	214,757	-	Probation
National School Lunch Program (Indirect)	10.555	02039-SN-30-R	CA Dept. of Education	64,638	-	Social Services Agency
National School Lunch Program (Indirect)	10.555	30-34306-9003500-1	CA Dept. of Education	350,429	-	Probation
<b>Subtotal 10.553 and 10.555 (Child Nutrition Cluster)</b>				<b>673,060</b>	<b>-</b>	
Special Supplemental Nutrition Program for Women, Infants, and Children						
Women, Infants, and Children (WIC) (Indirect)	10.557	15-10073	CA Dept. of Public Health	4,679,861	-	Health Care Agency
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program						
Non-Assisted Benefits (Indirect)	10.561	1946001347 A7	CA Dept. of Social Services	37,020,433	-	Social Services Agency
Non-Assisted Benefits - CA Work Opportunity and Responsibility to Kids Information Network (CalWIN) (Indirect)	10.561	1946001347 A7	CA Dept. of Social Services	1,801,581	-	Social Services Agency
Nutrition Education and Obesity Prevention Program (Indirect)	10.561	13-20487, 16-10144	CA Dept. of Public Health	3,816,593	2,189,605	Health Care Agency
<b>Subtotal 10.561 (SNAP Cluster)</b>				<b>42,638,607</b>	<b>2,189,605</b>	
Senior Farmers Market Nutrition Program						
Value of Senior Farmer's Market Coupons (Indirect)	10.576		CA Dept. of Aging	35,000	35,000	OC Community Resources
Schools and Roads - Grants to States						
Federal Forest Reserve Fund (Indirect)	10.665	12-5955	CA Dept. of Transportation	58,669	-	OC Public Works
<b>Subtotal 10.665 (Forest Service Schools and Roads Cluster)</b>				<b>58,669</b>	<b>-</b>	
<b>Subtotal - U.S. Department of Agriculture</b>						
<b>U.S. Department of Health and Human Services</b>						
Special Programs for the Aging Title VII, Chapter 3, Programs for Prevention of Elder Abuse, Neglect, and Exploitation						
Title VII-B: Elder Abuse Prevention (Indirect)	93.041	AP-1617-22	CA Dept. of Aging	35,717	35,717	OC Community Resources
Special Programs for the Aging Title VII, Chapter 2, Long Term Care Ombudsman Services for Older Individuals						
Title VII-A: Ombudsman (Indirect)	93.042	AP-1617-22	CA Dept. of Aging	103,770	103,770	OC Community Resources
Special Programs for the Aging Title III, Part D, Disease Prevention and Health Promotion Services						
Title III-D: Preventive Health (Indirect)	93.043	AP-1617-22	CA Dept. of Aging	152,832	152,832	OC Community Resources
Special Programs for the Aging Title III, Part B, Grants for Supportive Services and Senior Centers						
Title III-B: Senior Supportive Services (Indirect)	93.044	AP-1617-22	CA Dept. of Aging	2,365,370	1,832,723	OC Community Resources
Special Programs for the Aging Title III, Part C, Nutrition Services						
Title III-C1: Congregate Meals for Seniors (Indirect)	93.045	AP-1617-22	CA Dept. of Aging	2,402,814	2,079,589	OC Community Resources
Title III-C2: Home Delivered Meals for Seniors (Indirect)	93.045	AP-1617-22	CA Dept. of Aging	2,703,568	2,538,307	OC Community Resources
National Family Caregiver Support, Title III, Part E						
National Family Caregiver Support Program (Indirect)	93.052	AP-1617-22	CA Dept. of Aging	1,208,225	842,475	OC Community Resources
Nutrition Services Incentive Program						
Title III-C1: Nutrition Services Incentive Program (NSIP) (Indirect)	93.053	AP-1617-22	CA Dept. of Aging	275,169	275,169	OC Community Resources
Title III-C2: Nutrition Services Incentive Program (NSIP) (Indirect)	93.053	AP-1617-22	CA Dept. of Aging	727,033	727,033	OC Community Resources
<b>Subtotal 93.041, 93.042, 93.043, 93.044, 93.045, 93.052, and 93.053 (Aging Cluster)</b>				<b>9,974,498</b>	<b>8,587,615</b>	
Public Health Emergency Preparedness						
Zika Preparedness and Response Grant (Indirect)	93.069	16-10879	CA Dept. of Public Health	31,878	-	Health Care Agency
Medicare Enrollment Assistance Program						
Medicare Improvements for Patients and Provider Act (MIPPA) (Indirect)	93.071	MI-1517-22	CA Dept. of Aging	111,116	98,051	OC Community Resources
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements						
Hospital Preparedness Program (HPP) (Indirect)	93.074	EPO 14-10527	CA Dept. of Public Health	867,053	-	Health Care Agency
PHEP Ebola Supplemental (Indirect)	93.074	15-10373	CA Dept. of Public Health	28,092	-	Health Care Agency
Public Health Emergency Preparedness (PHEP) (Indirect)	93.074	EPO 14-10527	CA Dept. of Public Health	2,471,865	-	Health Care Agency
<b>Subtotal 93.074</b>				<b>3,367,010</b>	<b>-</b>	

See accompanying Notes to the Schedule of Expenditures of Federal Awards and the Supplementary Schedule of Grant Expenditures for Grants Provided by the California Health and Human Services Agency, Department of Aging.

**COUNTY OF ORANGE (OC), CALIFORNIA (CA)**  
 Schedule of Expenditures of Federal Awards  
 For the Year Ended June 30, 2017

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	Amount Provided to Subrecipients	County Department
Guardianship Assistance						
FEDGAP Assistance (Indirect)	93.090	1946001347 A7	CA Dept. of Social Services	464,264	-	Social Services Agency
Guardianship Assistance (Indirect)	93.090	1946001347 A7	CA Dept. of Social Services	72,772	-	Social Services Agency
<b>Subtotal 93.090</b>				<b>537,036</b>	<b>-</b>	
Project Grants and Cooperative Agreements for Tuberculosis Control Programs						
TB Local Assistance (Base Award) (Indirect)	93.116	5U52PS900515	CA Dept. of Public Health	747,601	-	Health Care Agency
Projects for Assistance in Transition from Homelessness (PATH)						
Projects for Assistance in Transition from Homelessness (PATH) Grant (Indirect)	93.150	68-0317191	CA Dept. of Health Care Services	547,653	547,653	Health Care Agency
Childhood Lead Poisoning Prevention Projects, State and Local Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children						
Childhood Lead Poisoning Prevention Program (CLPPP) (Indirect)	93.197	14-10027A01	CA Dept. of Public Health	233,944	-	Health Care Agency
Immunization Cooperative Agreements						
Pediatric Immunization - Immunization Assistance Program (IAP) (Indirect)	93.268	15-10438	CA Dept. of Public Health	684,589	-	Health Care Agency
State Health Insurance Assistance Program						
Health Insurance Counseling and Advocacy Program (Indirect)	93.324	HI-1617-22	CA Dept. of Aging	257,971	244,018	OC Community Resources
Cancer Detection and Diagnosis Research						
Every Woman Counts (EWC) (Indirect)	93.394	12-89327 A01, 16-93230	CA Dept. of Public Health	5,000	-	Health Care Agency
Promoting Safe and Stable Families						
Family Preservation (Indirect)	93.556	1946001347 A7	CA Dept. of Social Services	2,106,550	-	Social Services Agency
Temporary Assistance for Needy Families						
CalWorks (Indirect)	93.558	1946001347 A7	CA Dept. of Social Services	27,684,177	-	Social Services Agency
CalWorks - CalWIN (Indirect)	93.558	1946001347 A7	CA Dept. of Social Services	967,285	-	Social Services Agency
CalWorks Admin (Indirect)	93.558	1946001347 A7	CA Dept. of Social Services	95,527,250	-	Social Services Agency
Fraud Recovery Incentive (Indirect)	93.558	1946001347 A7	CA Dept. of Social Services	788,756	-	Social Services Agency
<b>Subtotal 93.558 (TANF Cluster)</b>				<b>124,967,468</b>	<b>-</b>	
Child Support Enforcement						
Child Support Enforcement Program (Indirect)	93.563	06-059	CA Dept. of Child Support Services	35,443,982	-	Child Support Services
Support Enforcement Incentive Fund (Indirect)	93.563	06-059	CA Dept. of Child Support Services	3,112,194	-	Child Support Services
<b>Subtotal 93.563</b>				<b>38,556,176</b>	<b>-</b>	
Refugee and Entrant Assistance State/Replacement Designee Administered Programs						
Refugee Cash Assistance (Indirect)	93.566	1946001347 A7	CA Dept. of Social Services	138,148	-	Social Services Agency
Refugee Employment Social Services (Indirect)	93.566	RESS 1403, RESS 1503, RESS 1604	CA Dept. of Social Services	326,250	-	Social Services Agency
Welfare Aid to Refugees (Indirect)	93.566	1946001347 A7	CA Dept. of Social Services	332,684	-	Social Services Agency
Welfare Aid to Refugees - CalWIN (Indirect)	93.566	1946001347 A7	CA Dept. of Social Services	1,218	-	Social Services Agency
<b>Subtotal 93.566</b>				<b>798,300</b>	<b>-</b>	
Refugee and Entrant Assistance Voluntary Agency Programs						
Refugee Health Assessment Program (Indirect)	93.567	15-30-90840-00, 16-30-90899-00	CA Dept. of Public Health	265,055	221,850	Health Care Agency
Child Care and Development Block Grant						
California State Preschool Program (Indirect)	93.575	CSPP6317	CA Dept. of Education	4,568	-	Social Services Agency
Child Care Mandatory and Matching Funds of the Child Care and Development Fund						
California State Preschool Program (Indirect)	93.596	CSPP6317	CA Dept. of Education	9,945	-	Social Services Agency
<b>Subtotal 93.575 and 93.596 (CCDF Cluster)</b>				<b>14,513</b>	<b>-</b>	
Refugee and Entrant Assistance Targeted Assistance Grants						
Targeted Assistance Grant (Indirect)	93.584	TAFO 1403, TAFO 1503	CA Dept. of Social Services	260,892	-	Social Services Agency
Community-Based Child Abuse Prevention Grants						
Community Based Child Abuse Prevention (Indirect)	93.590	1946001347 A7	CA Dept. of Social Services	84,933	-	Social Services Agency

See accompanying Notes to the Schedule of Expenditures of Federal Awards and the Supplementary Schedule of Grant Expenditures for Grants Provided by the California Health and Human Services Agency, Department of Aging.

COUNTY OF ORANGE (OC), CALIFORNIA (CA)

Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2017

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	Amount Provided to Subrecipients	County Department
Affordable Care Act State Health Insurance Assistance Program (SHIP) and Aging and Disability Resource Center (ADRC) Options Counseling for Medicare-Medicaid Individuals in States with Approved Financial Alignment Models						
SHIP Options Counseling for Medicare/Medicaid-Financial Alignment (Indirect)	93.626	FA-1516-22	CA Dept. of Aging	47,676	38,783	OC Community Resources
Stephanie Tubbs Jones Child Welfare Services Program						
Child Welfare System Title IV-B (Indirect)	93.645	1946001347 A7	CA Dept. of Social Services	2,066,245	-	Social Services Agency
Foster Care Title IV-E						
Children Welfare System Title IV-E (Indirect)	93.658	1946001347 A7	CA Dept. of Social Services	1,691,844	-	Probation
Children Welfare System Title IV-E (Indirect)	93.658	1946001347 A7	CA Dept. of Social Services	23,379,893	-	Social Services Agency
Foster Care- CalWIN (Indirect)	93.658	1946001347 A7	CA Dept. of Social Services	13,334	-	Social Services Agency
Welfare Aid to Children in Boarding Homes (Indirect)	93.658	1946001347 A7	CA Dept. of Social Services	8,920,137	-	Social Services Agency
<b>Subtotal 93.658</b>				<b>34,005,208</b>	<b>-</b>	
Adoption Assistance						
Adoption Assistance (Indirect)	93.659	1946001347 A7	CA Dept. of Social Services	20,008,929	-	Social Services Agency
Adoptions (Indirect)	93.659	1946001347 A7	CA Dept. of Social Services	2,491,059	-	Social Services Agency
<b>Subtotal 93.659</b>				<b>22,499,988</b>	<b>-</b>	
Social Services Block Grant (Indirect)	93.667	1946001347 A7	CA Dept. of Social Services	12,110,579	-	Social Services Agency
Chafee Foster Care Independence Program						
Independent Living Skills (Indirect)	93.674	1946001347 A7	CA Dept. of Social Services	526,177	-	Social Services Agency
Children's Health Insurance Program						
CA Children Services (CCS) Optional Targeted Low Income Children Program (Indirect)	93.767		CA Dept. of Health Care Services	1,745,082	-	Health Care Agency
Medical Assistance Program						
CA Children Services (CCS) Medi-Cal (Indirect)	93.778		CA Dept. of Health Care Services	5,942,567	-	Health Care Agency
Child Health and Disability Prevention (CHDP) Program Title XIX (Indirect)	93.778	201630	CA Dept. of Health Care Services	912,031	-	Health Care Agency
Child Welfare Services - Health (Indirect)	93.778	1946001347 A7	CA Dept. of Social Services	3,055,335	-	Social Services Agency
Children in Foster Care Title XIX- Administrative Expenses (Indirect)	93.778	201630	CA Dept. of Health Care Services	126,006	-	Health Care Agency
Children in Foster Care Title XIX- Health Care Program for Children in Foster Care (HCPCFC) (Indirect)	93.778	201630	CA Dept. of Health Care Services	675,050	-	Health Care Agency
County Services Block Grant and Adult Protective Services - Health (Indirect)	93.778	1946001347 A7	CA Dept. of Social Services	3,582,833	-	Social Services Agency
Medi-Cal (Indirect)	93.778	MCAC 2016-17-01	CA Dept. of Health Care Services	103,758,287	-	Social Services Agency
Medi-Cal CalWIN (Indirect)	93.778	1946001347 A7	CA Dept. of Social Services	5,290,755	-	Social Services Agency
Medi-Cal In-Home Supportive Services (Indirect)	93.778	1946001347 A7	CA Dept. of Social Services	10,701,403	-	Social Services Agency
Medi-Cal In-Home Supportive Services Admin (Indirect)	93.778	1946001347 A7	CA Dept. of Social Services	12,923,630	-	Social Services Agency
Medi-Cal Outreach & Enrollment (Indirect)	93.778		CA Dept. of Health Care Services	266,773	-	Social Services Agency
<b>Subtotal 93.778 (Medicaid Cluster)</b>				<b>147,234,670</b>	<b>-</b>	
HIV Emergency Relief Project Grants						
Minority AIDS Initiative (MAI) (Direct)	93.914			413,227	322,618	Health Care Agency
Ryan White Part A (Direct)	93.914			5,948,165	2,319,282	Health Care Agency
<b>Subtotal 93.914</b>				<b>6,361,392</b>	<b>2,641,900</b>	
HIV Care Formula Grants						
Care Services (Indirect)	93.917	15-11067	CA Dept. of Public Health, Office of AIDS	2,003,684	-	Health Care Agency
Human Immunodeficiency Virus (HIV) Expanded Testing (Indirect)	93.917	14-10737	CA Dept. of Public Health, Office of AIDS	82,189	-	Health Care Agency
<b>Subtotal 93.917</b>				<b>2,085,873</b>	<b>-</b>	
Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease						
Ryan White Part C (HIV Primary Care) (Direct)	93.918			594,594	-	Health Care Agency
HIV Prevention Activities Health Department Based						
Pre-Exposure Prophylaxis (PrEP) (Indirect)	93.940	15-10972	CA Dept. of Public Health, Office of AIDS	793,027	-	Health Care Agency
Prevention, Testing and Partner Services (Indirect)	93.940	15-10943	CA Dept. of Public Health, Office of AIDS	998,546	449,173	Health Care Agency
<b>Subtotal 93.940</b>				<b>1,791,573</b>	<b>449,173</b>	

See accompanying Notes to the Schedule of Expenditures of Federal Awards and the Supplementary Schedule of Grant Expenditures for Grants Provided by the California Health and Human Services Agency, Department of Aging.

COUNTY OF ORANGE (OC), CALIFORNIA (CA)

Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2017

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	Amount Provided to Subrecipients	County Department
Block Grants for Community Mental Health Services						
Block Grants for Community Mental Health Services - Substance Abuse and Mental Health Services Administration (SAMHSA) (Indirect)	93.958	68-0317191	CA Dept. of Health Care Services	2,670,074	1,214,313	Health Care Agency
Block Grants for Prevention and Treatment of Substance Abuse						
Alcohol and Drug Program (Indirect)	93.959	14-90077	CA Dept. of Health Care Services	17,695,471	10,166,264	Health Care Agency
Sexually Transmitted Diseases (STD) Prevention and Control Grants						
Chlamydia Screening Project (CLASP) (Indirect)	93.977	15-10259	CA Dept. of Public Health	28,049	-	Health Care Agency
Gonorrhea Isolate Surveillance Project (GISP) (Indirect)	93.977	15-10259	CA Dept. of Public Health	1,817	-	Health Care Agency
STD/HIV Service Integration (Indirect)	93.977	15-10259	CA Dept. of Public Health	129,415	-	Health Care Agency
<b>Subtotal 93.977</b>				<b>159,281</b>	<b>-</b>	
Maternal and Child Health Services Block Grant to the States						
Adolescent Family Life Program (AFLP) Title V and XIX (Indirect)	93.994	201630	CA Dept. of Public Health	388,446	-	Health Care Agency
Maternal, Child Health, and Adolescent Health (MCAH) (Indirect)	93.994	201630	CA Dept. of Public Health	743,124	24,997	Health Care Agency
<b>Subtotal 93.994</b>				<b>1,131,570</b>	<b>24,997</b>	
<b>Subtotal - U.S. Department of Health and Human Services</b>						
<b>U.S. Department of Homeland Security</b>						
Emergency Management Performance Grants						
2015 Emergency Management Performance Grant (EMPG) (Indirect)	97.042	2015-0049	California Office of Emergency Services	312,274	312,274	Sheriff-Coroner
2016 Emergency Management Performance Grant (EMPG) (Indirect)	97.042	2016-0010	California Office of Emergency Services	411,542	-	Sheriff-Coroner
<b>Subtotal 97.042</b>				<b>723,816</b>	<b>312,274</b>	
Homeland Security Grant Program						
2015 Homeland Security Grant Program (HSGP) (Indirect)	97.067	2015-00078	California Office of Emergency Services	1,971,963	420,343	Sheriff-Coroner
2015 Operation Stonegarden Supplemental Grant (Indirect)	97.067	2015-1078	County of San Diego, Sheriff Dept.	108,183	-	Sheriff-Coroner
2016 Homeland Security Grant Program (HSGP) (Indirect)	97.067	2016-0102	California Office of Emergency Services	610,287	-	Sheriff-Coroner
Homeland Security Grant Program (HSGP) (Indirect)	97.067	2015-00078, 2016-0102	California Office of Emergency Services	237,849	-	Health Care Agency
<b>Subtotal 97.067</b>				<b>2,928,282</b>	<b>420,343</b>	
Securing The Cities Program (Indirect)	97.106	2012-DN-106-00001	City of Los Angeles Mayor's Office	2,868	-	Sheriff-Coroner
Los Angeles Border Enforcement Security Taskforce (LA BEST) (Direct)	97.UNKNOWN			3,769	-	Sheriff-Coroner
TSA: National Explosives Detection Canine Team Program (Direct)	97.UNKNOWN			50,500	-	John Wayne Airport
<b>Subtotal 97.UNKNOWN</b>				<b>54,269</b>	<b>-</b>	
<b>Subtotal - U.S. Department of Homeland Security</b>						
<b>U.S. Department of Housing and Urban Development</b>						
Community Development Block Grants/Entitlement Grants						
Community Development Block Grant (Direct)	14.218			3,528,314	2,812,187	OC Community Resources
<b>Subtotal 14.218 (CDBG Cluster)</b>				<b>3,528,314</b>	<b>2,812,187</b>	
Emergency Solutions Grant Program						
Emergency Shelter Grant Program (Direct)	14.231			216,802	200,795	OC Community Resources
Shelter Plus Care (Direct)	14.238			97,376	-	OC Community Resources
HOME Investment Partnerships Program (Direct)	14.239			178,202	-	OC Community Resources
Housing Opportunities for Persons with AIDS (HOPWA) (Indirect)	14.241	9580.A	City of Anaheim	806,904	754,116	Health Care Agency
Continuum of Care Program						
Continuum of Care (CoC) - Planning Grant (Direct)	14.267			564,629	-	OC Community Resources
Continuum of Care (CoC) - Rental Assistance Grant (Direct)	14.267			7,504,655	-	OC Community Resources
<b>Subtotal 14.267</b>				<b>8,069,284</b>	<b>-</b>	
Section 8 Housing Choice Vouchers						
Family Self Sufficiency Program Evaluation (Indirect)	14.871	GS-10F-0245N	MDRC	2,499	-	OC Community Resources
Section 8 Housing Choice Vouchers (Direct)	14.871			131,094,226	-	OC Community Resources
<b>Subtotal 14.871 (Housing Voucher Cluster)</b>				<b>131,096,725</b>	<b>-</b>	

See accompanying Notes to the Schedule of Expenditures of Federal Awards and the Supplementary Schedule of Grant Expenditures for Grants Provided by the California Health and Human Services Agency, Department of Aging.

COUNTY OF ORANGE (OC), CALIFORNIA (CA)

Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2017

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	Amount Provided to Subrecipients	County Department
Family Self-Sufficiency Program						
Family Self Sufficiency Program Coordinator (Direct)	14.896			260,018	-	OC Community Resources
<b>Subtotal - U.S. Department of Housing and Urban Development</b>				<b>144,253,625</b>	<b>3,767,098</b>	
<b>U.S. Department of the Interior</b>						
Payments in Lieu of Taxes (PILT) (Direct)	15.226			85,385	-	Auditor-Controller
Coastal Impact Assistance Program						
Newport Bay Watershed Trash Management Plan (Direct)	15.668			23,629	-	OC Public Works
<b>Subtotal - U.S. Department of the Interior</b>				<b>109,014</b>	<b>-</b>	
<b>U.S. Department of Justice</b>						
Crime Victim Assistance						
Child Abuse Treatment Services (Indirect)	16.575	AT15010300, AT16020300	California Office of Emergency Services	268,333	268,333	Social Services Agency
County Victim Services (XC) Program (Indirect)	16.575	XC16010300	California Governor's Office of Emergency Services	343,601	343,601	County Executive Office
Human Trafficking Advocacy Program (Indirect)	16.575	HA15020300	California Office of Emergency Services	80,473	80,473	District Attorney
Human Trafficking Advocacy Program (Indirect)	16.575	HA16030300	California Office of Emergency Services	11,356	11,356	District Attorney
Unserved/Underserved Victim Advocacy and Outreach Program (Indirect)	16.575	UV15010300	California Office of Emergency Services	175,000	175,000	County Executive Office
Victim Witness Assistance Program (Indirect)	16.575	VW15340300, VW16350300	California Office of Emergency Services	767,323	767,323	County Executive Office
<b>Subtotal 16.575</b>				<b>1,646,086</b>	<b>1,646,086</b>	
Violence Against Women Formula Grants						
Violence Against Women Vertical Prosecution Program (Indirect)	16.588	VV15070300	California Office of Emergency Services	1,150	1,150	District Attorney
Violence Against Women Vertical Prosecution Program (Indirect)	16.588	VV16080300	California Office of Emergency Services	185,494	14,377	District Attorney
<b>Subtotal 16.588</b>				<b>186,644</b>	<b>15,527</b>	
State Criminal Alien Assistance Program (SCAAP) (Direct)	16.606			1,418,322	-	Sheriff-Coroner
Edward Byrne Memorial Justice Assistance Grant Program						
2013 Edward Byrne Memorial Justice Assistance Grant (JAG) (Direct)	16.738			698	55	Sheriff-Coroner
2014 Edward Byrne Memorial Justice Assistance Grant (JAG) (Direct)	16.738			76,427	66,196	Sheriff-Coroner
2015 Edward Byrne Memorial Justice Assistance Grant (JAG) (Direct)	16.738			170,533	147,961	Sheriff-Coroner
2016 Edward Byrne Memorial Justice Assistance Grant (JAG) (Direct)	16.738			267,788	265,970	Sheriff-Coroner
<b>Subtotal 16.738</b>				<b>515,446</b>	<b>480,182</b>	
DNA Backlog Reduction Program						
2014 DNA Backlog Reduction Grant (Direct)	16.741			47,789	-	Sheriff-Coroner
2015 DNA Backlog Reduction Grant (Direct)	16.741			283,280	-	Sheriff-Coroner
2016 DNA Backlog Reduction Grant (Direct)	16.741			4,789	-	Sheriff-Coroner
<b>Subtotal 16.741</b>				<b>335,858</b>	<b>-</b>	
Paul Coverdell Forensic Sciences Improvement Grant Program						
2015 Coverdell National Forensic Science Improvement Grant (Indirect)	16.742	CQ15110300	California Office of Emergency Services	68,592	-	Sheriff-Coroner
Support for Adam Walsh Act Implementation Grant Program						
2016 Sex Offender Registration and Notification Act (SORNA) (Indirect)	16.750	2016-DS-BX-0002	California Department of Justice	870	-	Sheriff-Coroner
Postconviction Testing of DNA Evidence						
Post-Conviction Testing of DNA Evidence to Exonerate the Innocent (Direct)	16.820			2,735	-	District Attorney
Post-Conviction Testing of DNA Evidence to Exonerate the Innocent (Direct)	16.820			69,464	-	Public Defender
<b>Subtotal 16.820</b>				<b>72,199</b>	<b>-</b>	
National Sexual Assault Kit Initiative						
Orange County District Attorney Sexual Assault Kit Initiative (Direct)	16.833			2,613	-	Sheriff-Coroner
Orange County District Attorney (OCDA) Sexual Assault Kit Initiative (Direct)	16.833			100,175	-	District Attorney
<b>Subtotal 16.833</b>				<b>102,788</b>	<b>-</b>	

See accompanying Notes to the Schedule of Expenditures of Federal Awards and the Supplementary Schedule of Grant Expenditures for Grants Provided by the California Health and Human Services Agency, Department of Aging.

COUNTY OF ORANGE (OC), CALIFORNIA (CA)

Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2017

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	Amount Provided to Subrecipients	County Department
Equitable Sharing Program						
Department of Justice Forfeiture Program (Direct)	16.922			86,435	-	District Attorney
MethLab/PROACT Asset Forfeitures (Direct)	16.922			255,919	-	Sheriff-Coroner
Regional Narcotics Suppression Program (RNSP) Forfeitures (Direct)	16.922			5,405,701	-	Sheriff-Coroner
Sheriff's Narcotic Program (SNP) Forfeitures (Direct)	16.922			2,628,419	-	Sheriff-Coroner
<b>Subtotal 16.922</b>				<b>8,376,474</b>	<b>-</b>	
Cyber Task Force (Direct)	16.UNKNOWN			9,675	-	District Attorney
OC Regional Computer Forensics Laboratory (OCRCFL) (Direct)	16.UNKNOWN			31,052	-	District Attorney
Orange County Corruption Task Force (Direct)	16.UNKNOWN			3,828	-	District Attorney
Orange County Drug Enforcement Task Force (Direct)	16.UNKNOWN			17,753	-	District Attorney
Regional Fugitive Task Force (Direct)	16.UNKNOWN			38,704	-	District Attorney
Santa Ana Gang Task Force (Direct)	16.UNKNOWN			1,518	-	District Attorney
<b>Subtotal 16.UNKNOWN</b>				<b>102,530</b>	<b>-</b>	
<b>Subtotal - U.S. Department of Justice</b>				<b>12,825,809</b>	<b>2,141,795</b>	
<b>U.S. Department of Labor</b>						
Senior Community Service Employment Program						
Title V - Senior Community Services Employment Program (Indirect)	17.235	TV-1617-22	CA Dept. of Aging	737,728	687,095	OC Community Resources
WIA/WIOA Adult Program						
Workforce Investment Act Title I Adult (2014) (Indirect)	17.258	K594778	CA Employment Development Dept.	43,927	36,704	OC Community Resources
Workforce Investment Act Title I Adult (2015) (Indirect)	17.258	K698379	CA Employment Development Dept.	1,641,788	1,392,532	OC Community Resources
Workforce Investment Act Title I Adult (2016) (Indirect)	17.258	K7102052	CA Employment Development Dept.	1,727,258	634,068	OC Community Resources
WIA/WIOA Youth Activities						
Workforce Investment Act Title I Youth (2015) (Indirect)	17.259	K698379	CA Employment Development Dept.	1,882,399	1,248,684	OC Community Resources
Workforce Investment Act Title I Youth (2016) (Indirect)	17.259	K7102052	CA Employment Development Dept.	1,028,151	541,993	OC Community Resources
WIA/WIOA Dislocated Worker Formula Grants						
Workforce Investment Act Title I Dislocated Worker (2015) (Indirect)	17.278	K698379	CA Employment Development Dept.	1,163,275	869,803	OC Community Resources
Workforce Investment Act Title I Dislocated Worker (2016) (Indirect)	17.278	K7102052	CA Employment Development Dept.	4,745,447	2,783,773	OC Community Resources
<b>Subtotal 17.258, 17.259, and 17.278 (WIOA Cluster)</b>				<b>12,232,245</b>	<b>7,507,557</b>	
Reentry Employment Opportunities						
Linking to Employment Activities Pre-release Specialized American Job Center 1 (Direct)	17.270			475,645	362,021	OC Community Resources
Linking to Employment Activities Pre-release Specialized American Job Center 2 (Direct)	17.270			127,317	87,733	OC Community Resources
<b>Subtotal 17.270</b>				<b>602,962</b>	<b>449,754</b>	
<b>Subtotal - U.S. Department of Labor</b>				<b>13,572,935</b>	<b>8,644,406</b>	
<b>U.S. Department of Transportation</b>						
Airport Improvement Program						
FAA: Airport Improvement Programs Grant 44 & 45 (Direct)	20.106			269,869	-	John Wayne Airport
Highway Planning and Construction						
Highway Bridge Program (HBP) BR. No. 55C-0172 ( Modjeska Canyon Road) (Indirect)	20.205	5955(094)	CA Dept. of Transportation	17,750	-	OC Public Works
Highway Bridge Program (HBP) BR. No. 55C-0174 (Silverado Canyon Road 1.6 miles east of Santiago Canyon Road) (Indirect)	20.205	5955(095)	CA Dept. of Transportation	21,075	-	OC Public Works
Highway Bridge Program (HBP) BR. No. 55C-0175 (Silverado Canyon) (Indirect)	20.205	5955(087)	CA Dept. of Transportation	5,978	-	OC Public Works
Highway Bridge Program (HBP) BR. No. 55C-0177 (Silverado Canyon Road 4.4 miles east of Santiago Canyon Road) (Indirect)	20.205	5955(096)	CA Dept. of Transportation	15,127	-	OC Public Works
Highway Bridge Program (HBP) BR. No. 55C-0400 (Edinger Avenue/Sunset Way over Bolsa Chica Channel) (Indirect)	20.205	5955(078)	CA Dept. of Transportation	20,827	-	OC Public Works
Highway Safety Improvement Program (Santiago Canyon Road from Live Oak Canyon to SR241/SR261) (Indirect)	20.205	5955(101)	Ca. Dept. of Transportation	3,878	-	OC Public Works
Highway Safety Improvement Program (Gilbert Street Improvements) (Indirect)	20.205	5955(086)	CA Dept. of Transportation	9,079	-	OC Public Works
Highway Safety Improvement Program (Trabuco Canyon Road) (Indirect)	20.205	5955(089)	CA Dept. of Transportation	9,693	-	OC Public Works
<b>Subtotal 20.205 (Highway Planning and Construction Cluster)</b>				<b>103,407</b>	<b>-</b>	

See accompanying Notes to the Schedule of Expenditures of Federal Awards and the Supplementary Schedule of Grant Expenditures for Grants Provided by the California Health and Human Services Agency, Department of Aging.



COUNTY OF ORANGE (OC), CALIFORNIA (CA)

Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2017

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	Amount Provided to Subrecipients	County Department
State and Community Highway Safety						
2015 OTS- STEP (Selective Traffic Enforcement Program) (Indirect)	20.600	PT1648	CA Office of Traffic Safety	13,675	-	Sheriff-Coroner
2016 OTS- STEP (Selective Traffic Enforcement Program) (Indirect)	20.600	PT1786	CA Office of Traffic Safety	97,143	-	Sheriff-Coroner
Alcohol Impaired Driving Countermeasures Incentive Grants I						
Alcohol and Drug Impaired Driver Vertical Prosecution Program (Indirect)	20.601	DI1706	CA Office of Traffic Safety	537,645	-	District Attorney
Alcohol and Drug Impaired Driver Vertical Prosecution Program (Indirect)	20.601	DI1613	CA Office of Traffic Safety	195,005	-	District Attorney
National Priority Safety Programs						
2016 Standards and Training in DUID Toxicology (Indirect)	20.616	DI1722	CA office of Traffic Safety	15,063	-	Sheriff-Coroner
<b>Subtotal 20.600, 20.601, and 20.616 (Highway Safety Cluster)</b>				<b>858,531</b>	<b>-</b>	
Minimum Penalties for Repeat Offenders for Driving While Intoxicated						
2015 OTS- STEP (Selective Traffic Enforcement Program) (Indirect)	20.608	PT1648	CA Office of Traffic Safety	111,015	-	Sheriff-Coroner
2016 OTS- STEP (Selective Traffic Enforcement Program) (Indirect)	20.608	PT1786	CA Office of Traffic Safety	175,897	-	Sheriff-Coroner
<b>Subtotal 20.608</b>				<b>286,912</b>	<b>-</b>	
<b>Subtotal - U.S. Department of Transportation</b>				<b>1,518,719</b>	<b>-</b>	
<b>U.S. Department of the Treasury</b>						
Equitable Sharing						
Department of Treasury Forfeiture Program (Direct)	21.016			118,044	-	District Attorney
Regional Narcotics Suppression Program (RNSP) Forfeitures (Direct)	21.016			248,386	-	Sheriff-Coroner
Sheriff's Narcotics Program (SNP) Forfeitures (Direct)	21.016			639,154	-	Sheriff-Coroner
<b>Subtotal 21.016</b>				<b>1,005,584</b>	<b>-</b>	
<b>Subtotal - U.S. Department of the Treasury</b>				<b>1,005,584</b>	<b>-</b>	
<b>Executive Office of the President</b>						
High Intensity Drug Trafficking Areas Program						
2016 Domestic Highway Enforcement (DHE) - High Intensity Drug Trafficking Area (HIDTA) Grant (Indirect)	95.001	G16LA0006A	City of Monrovia	19,900	-	Sheriff-Coroner
High Intensity Drug Trafficking Area (HIDTA) (Direct)	95.001			211,637	-	Sheriff-Coroner
High Intensity Drug Trafficking Area (HIDTA) 2016 (Direct)	95.001			829,132	-	Sheriff-Coroner
High Intensity Drug Trafficking Area (HIDTA) 2017 (Direct)	95.001			-	-	Sheriff-Coroner
Regional Methamphetamine Task Force (RMTF) (Indirect)	95.001	G15LA0006A	City of Monrovia	687	-	Sheriff-Coroner
Regional Methamphetamine Task Force (RMTF) 2016 (Indirect)	95.001	G16LA0006A	City of Monrovia	67,923	-	Sheriff-Coroner
Regional Methamphetamine Task Force (RMTF) 2017 (Indirect)	95.001	G17LA0006A	City of Monrovia	9,326	-	Sheriff-Coroner
<b>Subtotal - Executive Office of the President</b>				<b>1,138,605</b>	<b>-</b>	
<b>National Foundation on the Arts and the Humanities</b>						
Promotion of the Arts Grants to Organizations and Individuals						
The Big Read 2016-1017 (Indirect)	45.024	00017830	Arts Midwest	15,000	-	OC Community Resources
Promotion of the Humanities Federal/State Partnership						
Community Stories Grant for Indigenous Voices of San Juan Capistrano (Indirect)	45.129	COS16-492	California Humanities	4,831	-	OC Community Resources
<b>Subtotal - National Foundation on the Arts and the Humanities</b>				<b>19,831</b>	<b>-</b>	
<b>Grand Total</b>				<b>\$ 663,001,442</b>	<b>\$ 41,745,138</b>	

LEGEND:

- (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.

See accompanying Notes to the Schedule of Expenditures of Federal Awards and the Supplementary Schedule of Grant Expenditures for Grants Provided by the California Health and Human Services Agency, Department of Aging.

**COUNTY OF ORANGE, CALIFORNIA (CA)**  
 Supplementary Schedule of Grant Expenditures  
 For Grants Provided by the California Health and Human Services Agency, Department of Aging (1)  
 For the Year Ended June 30, 2017

Federal or State Grantor/Pass-through Entity/County Program Name/Direct or Indirect	Catalog of Federal Domestic Assistance Number (3)	Pass-Through Entity's Identifying Number (2)	Grant Award			Expenditures		
			Federal	State	Total	Federal	State	Total
<b>U.S. Department of Agriculture</b>								
Pass-through the CA Department of Aging:								
Senior Farmers Market Nutrition Program								
Value of Senior Farmer's Market Coupons (Indirect)	10.576		\$ 35,000	\$ -	\$ 35,000	\$ 35,000	\$ -	\$ 35,000
Total U.S. Department of Agriculture			<u>35,000</u>	<u>-</u>	<u>35,000</u>	<u>35,000</u>	<u>-</u>	<u>35,000</u>
<b>U.S. Department of Health and Human Services</b>								
Pass-through the CA Department of Aging:								
Special Programs for the Aging Title VII, Chapter 3, Programs for Prevention of Elder Abuse, Neglect, and Exploitation								
Title VII-B: Elder Abuse Prevention (Indirect)	93.041	AP-1617-22	35,717	-	35,717	35,717	-	35,717
Special Programs for the Aging Title VII, Chapter 2, Long Term Care Ombudsman Services for Older Individuals								
Title VII-A: Ombudsman (Indirect)	93.042	AP-1617-22	103,770	-	103,770	103,770	-	103,770
Special Programs for the Aging Title III, Part D, Disease Prevention and Health Promotion Services								
Title III-D: Preventive Health (Indirect)	93.043	AP-1617-22	152,832	-	152,832	152,832	-	152,832
Special Programs for the Aging Title III, Part B, Grants for Supportive Services and Senior Centers								
Title III-B: Senior Supportive Services (Indirect)	93.044	AP-1617-22	2,391,989	94,198	2,486,187	2,365,370	94,198	2,459,568
Special Programs for the Aging Title III, Part C, Nutrition Services								
Title III-C1: Congregate Meals for Seniors (Indirect)	93.045	AP-1617-22	2,402,814	260,939	2,663,753	2,402,814	260,939	2,663,753
Title III-C2: Home Delivered Meals for Seniors (Indirect)	93.045	AP-1617-22	2,704,018	408,126	3,112,144	2,703,568	408,126	3,111,694
National Family Caregiver Support, Title III, Part E								
National Family Caregiver Support Program (Indirect)	93.052	AP-1617-22	1,208,225	-	1,208,225	1,208,225	-	1,208,225
Nutrition Services Incentive Program								
Title III-C1: Nutrition Services Incentive Program (NSIP) (Indirect)	93.053	AP-1617-22	275,169	-	275,169	275,169	-	275,169
Title III-C2: Nutrition Services Incentive Program (NSIP) (Indirect)	93.053	AP-1617-22	<u>727,033</u>	<u>-</u>	<u>727,033</u>	<u>727,033</u>	<u>-</u>	<u>727,033</u>
Subtotal 93.041, 93.042, 93.043, 93.044, 93.045, 93.052, and 93.053 (Aging Cluster)			<u>10,001,567</u>	<u>763,263</u>	<u>10,764,830</u>	<u>9,974,498</u>	<u>763,263</u>	<u>10,737,761</u>
Medicare Enrollment Assistance Program								
Medicare Improvements for Patients and Provider Act (MIPPA) (Indirect)	93.071	MI-1517-22	116,610	-	116,610	111,116	-	111,116
State Health Insurance Assistance Program								
Health Insurance Counseling and Advocacy Program (Indirect)	93.324	HI-1617-22	266,706	-	266,706	257,971	-	257,971
Affordable Care Act State Health Insurance Assistance Program (SHIP) and Aging and Disability Resource Center (ADRC) Options Counseling for Medicare-Medicaid Individuals in States with Approved Financial Alignment Models								
SHIP Options Counseling for Medicare/Medicaid-Financial Alignment (Indirect)	93.626	FA-1516-22	<u>53,286</u>	<u>-</u>	<u>53,286</u>	<u>47,676</u>	<u>-</u>	<u>47,676</u>
Total U.S. Department of Health and Human Services			<u>10,438,169</u>	<u>763,263</u>	<u>11,201,432</u>	<u>10,391,261</u>	<u>763,263</u>	<u>11,154,524</u>
<b>U.S. Department of Labor</b>								
Pass-through the CA Department of Aging:								
Senior Community Service Employment Program								
Title V - Senior Community Services Employment Program (Indirect)	17.235	TV-1617-22	<u>748,435</u>	<u>-</u>	<u>748,435</u>	<u>737,728</u>	<u>-</u>	<u>737,728</u>
Total U.S. Department of Labor			<u>748,435</u>	<u>-</u>	<u>748,435</u>	<u>737,728</u>	<u>-</u>	<u>737,728</u>
<b>CA Health and Human Services Agency</b>								
Pass-through the CA Department of Aging:								
Long Term Care Ombudsman Program								
Special Deposit Fund (SDF) - State Health Facilities Citation Penalties Account			-	137,837	137,837	-	137,837	137,837
Skilled Nursing Facility Quality & Accountability Fund (SNFQAF)			-	178,977	178,977	-	178,963	178,963
Public Health L&C Program Fund			<u>-</u>	<u>37,679</u>	<u>37,679</u>	<u>-</u>	<u>37,679</u>	<u>37,679</u>
Total CA Health and Human Services Agency			<u>-</u>	<u>354,493</u>	<u>354,493</u>	<u>-</u>	<u>354,479</u>	<u>354,479</u>
<b>Total</b>			<u>\$ 11,221,604</u>	<u>\$ 1,117,756</u>	<u>\$ 12,339,360</u>	<u>\$ 11,163,989</u>	<u>\$ 1,117,742</u>	<u>\$ 12,281,731</u>

(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.  
 (3) State only funded programs do not have a federal CFDA number

## COUNTY OF ORANGE, CALIFORNIA

Notes to the Schedule of Expenditures of Federal Awards and the Supplementary Schedule of Grant Expenditures for Grants Provided by the California Health and Human Services Agency, Department of Aging  
For the Year Ended June 30, 2017

### (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), except as noted herein. The County's reporting entity is defined in Note 1 of the County's basic financial statements. These financial statements include the operations of the Children and Families Commission of Orange County (CFCOC) and the Orange County Health Authority, a Public Agency/dba Orange Prevention and Treatment Integrated Medical Assistance (CalOptima) (discretely presented component units), which expended \$445,121 and \$1,949,675, respectively, in federal awards, which are not included in the SEFA. 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 and Supplementary Schedule of Grant Expenditures for Grants Provided by the California Health and Human Services Agency, Department of Aging (DOA), are 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 are described in Note 1 of the County's basic financial statements. The information in the SEFA is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

The County has elected not to use the 10 percent de minimis indirect cost rate as allowed under Title 2 U.S. *Code of Federal Regulations*, section 200.414 Indirect (F&A) costs.

### (3) RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

Federal award expenditures and the supplementary schedule of grant expenditures for grants provided by the DOA, agree or can be reconciled with the amounts reported in the County's basic financial statements.

### (4) CALIFORNIA HEALTH AND HUMAN SERVICES AGENCY, DEPARTMENT OF AGING

At the request of the DOA, the schedule of grant expenditures for their grant programs is included as a supplementary schedule on page 14.

### (5) NONCASH ASSISTANCE

Senior Farmers Market Coupons valued at \$35,000 was provided by the Senior Farmers Market Nutrition Program, CFDA No. 10.576 to purchase food. This amount is included on the SEFA.

**COUNTY OF ORANGE, CALIFORNIA**

Notes to the Schedule of Expenditures of Federal Awards and the Supplementary Schedule of Grant Expenditures for Grants Provided by the California Health and Human Services Agency, Department of Aging (Continued)  
For the Year Ended June 30, 2017

**(6) 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 and are not subject to federal continuing compliance requirements:

<u>CFDA No.</u>	<u>Federal Program Name</u>	<u>Outstanding Loans at June 30, 2017</u>	<u>New Loans for the Fiscal Year Ended June 30, 2017</u>
14.218	Community Development Block Grant (Direct)	\$ 2,495,102	\$ -
14.239	HOME Investment Partnerships Program (Direct)	26,508,376	-

**COUNTY OF ORANGE, CALIFORNIA**  
 Schedule of Findings and Questioned Costs  
 For Year Ended June 30, 2017

**Section I – Summary of Auditor’s Results**

***Financial Statements:***

Type of auditor’s report issued:	Unmodified
Internal control over financial reporting:	
• Material weakness (es) identified?	No
• Significant deficiency (ies) identified?	Yes
Noncompliance material to financial statements noted?	No

***Federal Awards:***

Internal control over major federal programs:	
• Material weakness (es) identified?	Yes
• Significant deficiency (ies) identified?	Yes
Type of auditor’s report issued on compliance for major federal programs:	Unmodified for all major programs, except for the CFDA Nos. 17.258/17.259/17.278 Workforce Innovation and Opportunity Act (WIOA) Cluster, which was Qualified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)?	Yes

Identification of major federal programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
14.267	Continuum of Care Program
17.258/17.259/17.278	Workforce Innovation and Opportunity Act (WIOA) Cluster
93.074	Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements
93.563	Child Support Enforcement
93.778	Medicaid Cluster
93.940	HIV Prevention Activities Health Department Based

Dollar threshold used to distinguish between Type A and Type B programs:	\$3,000,000
Auditee qualified as a low-risk auditee?	Yes

**COUNTY OF ORANGE, CALIFORNIA**  
Schedule of Findings and Questioned Costs (Continued)  
For the Year Ended June 30, 2017

**Section II – Financial Statement Findings**

Reference Number: 2017-001  
Category of Finding: Information Technology General Controls (ITGC)

***Criteria***

Governing bodies and executive management establish the goals and objectives of an entity to operate effectively, efficiently, and economically; safeguard resources; comply with laws and regulations, and ensure accurate, complete, and timely financial and non-financial reports to the County's creditors, managers, and other stakeholders. This is accomplished when the entity:

1. Deploys control activities through policies that establish what is expected and procedures that put policies into action.
2. Selects and develops general control activities over technology to support the achievement of objectives.

***Condition***

1. The County has not deployed, reassessed and refreshed certain entity-wide information technology general control policies and procedures. ITGC policies establish what is expected. Policies reflect management's statement of what should be done to effect control. Policies and procedures specifically relate to those control activities that contribute to the mitigation of risks to the achievement of objectives to acceptable levels. Policy statements and related procedures should be documented and disseminated.

The general controls policies and procedures that apply to all or a large segment of the County's information systems include security management, logical and physical access, configuration management, segregation of duties, and contingency planning.

There are no written policies and procedures for the following:

- To classify systems and information that is stored, processed, shared, or transmitted with respect to the type of data (e.g. confidential or sensitive) and its value to critical business functions in place.
- To protect data or electronic storage media, including CDs, USB drives, and tapes.
- To identify, report, or correct the information system/application flaws to ensure the information integrity.
- That states a developer security test and evaluation to ensure the software integrity practice is in place.
- That SOC 1/SOC 2 reports are received and reviewed by the management to evaluate the impact of any control deficiencies noted by the service organizations' auditors to the County.

**COUNTY OF ORANGE, CALIFORNIA**  
Schedule of Findings and Questioned Costs (Continued)  
For the Year Ended June 30, 2017

**Section II – Financial Statement Findings (Continued)**

- Analysis and mapping of complementary controls identified in service organizations’ SOC 1/SOC 2 reports to County internal controls to ensure assets and information are safeguarded and financial reporting is appropriate.
2. Reassessment and Updating of Policies – The Usage and IT Security Policies have not been updated since 2009.
  3. Lack of Evidence of Review – IT personnel do not document the results of the evaluation of the SOC 1/SOC 2 reports provided by its service organizations, nor are compensating controls identified and evaluated for effectiveness.
  4. System Access – For nine (9) of ten (10) sampled users of the CAPS+ application, access was disabled more than three (3) business days after the users’ termination date.

***Cause***

Management has prioritized other projects and issues as higher priority, and the County organization has decentralized ITGC responsibilities.

***Effect***

Missing or out-of-date ITGC policies and procedures increase the risk that the County and its resources, including its personally identifiable and confidential (business) information may be subject to exploits that access, disclose, or alter information.

***Recommendation***

We recommend that the County establish the following:

1. Formalize written policies and procedures for critical processes.
2. Revisit and update the Usage and IT Security Policies to ensure the risk of inaccurate information is minimized and the integrity of the data is maintained.
3. Formalize policies that require the evaluation of the SOC 1/SOC 2 reports provided by its service organizations to be documented and compensating controls identified and evaluated for effectiveness.
4. Implement the established system access policy to disable terminated employees timely and monitor compliance with the updated policy.

**COUNTY OF ORANGE, CALIFORNIA**  
Schedule of Findings and Questioned Costs (Continued)  
For the Year Ended June 30, 2017

**Section II – Financial Statement Findings (Continued)**

***Management Response and Planned Correction Action***

1. Person Responsible: Jacob Margolis, CISO and Phillip Daigneau, Auditor-Controller IT Director
2. Corrective Action Plan:
  - i. Recommendation 1: The County has established a Cybersecurity Joint Task Force, which is tasked with developing a Cybersecurity Manual. The manual will address the development and implementation of policy and procedures including critical processes.
  - ii. Recommendation 2: The County has established a Cybersecurity Joint Task Force, which is tasked with developing a Cybersecurity Manual. The manual will address the development and implementation of policy and procedures including update the Usage and IT Security Policies.
  - iii. Recommendation 3: The County is in the process of documenting its policy and associated procedures that require the evaluation of the SOC 1/SOC 2 reports provided by its service organizations to be documented and compensating controls identified and evaluated for effectiveness.
  - iv. Recommendation 4: AC/IT to work with HR to develop a new HR report by January 1, 2019. This report will compare the transaction date to the effective date and report on any transactions that occurs greater than the accepted days per updated policy. This report will be monitored and reviewed in the CAPS+ HR weekly meeting for staff to then take the necessary action.
3. Anticipated Implementation Date: January 1, 2019



**COUNTY OF ORANGE, CALIFORNIA**  
Schedule of Findings and Questioned Costs (Continued)  
For the Year Ended June 30, 2017

**Section III – Federal Award Findings and Questioned Costs**

Reference Number:	2017-002
Federal Program Title:	Workforce Innovation and Opportunity Act (WIOA) Cluster
Federal Catalog Numbers:	17.258/17.259/17.278
Federal Agency:	U.S. Department of Labor
Pass-Through Entity:	California Employment Development Department
Federal Award Numbers and Year:	K594778 (2016), K698379 (2016), K7102052 (2016)
Category of Finding:	Procurement and Suspension and Debarment

***Criteria***

In accordance with 2 CFR §180.300, when an entity enters into a covered transaction with another person at the next lower tier, the entity must verify that the person is not excluded or disqualified. The entity can do this by:

1. Checking the Excluded Parties List System (EPLS) (i.e. System for Award Management Exclusions); or
2. Collecting a certification from that person; or
3. Adding a clause or condition to the covered transaction with that person.

Per 2 CFR §180.985, person means any individual, corporation, partnership, associate, unit of government, or legal entity, however organized.

In accordance with Title 26 Code of Federal Regulation §97.36(c)(1), all procurement transactions will be conducted in a manner providing full and open competition consistent with the standards of §97.36.

***Condition***

During our review of compliance with the procurement requirements for subrecipients, we noted that the Orange County Community Resources (OCCR) department entered into a contract with a subrecipient in FY 2016-17 and did not verify that the subrecipient was not excluded or disqualified. In addition, the subrecipient did not go through the procurement process prior to awarding the contract.

***Cause***

OCCR had previously contracted with the subrecipient; however, the subrecipient was a subcontractor of another vendor that was awarded the contract, thus the subrecipient was not subject to the competitive bidding process.

***Effect***

Failure to follow the procurement standards when entering into a contract results in noncompliance with federal regulations.

**COUNTY OF ORANGE, CALIFORNIA**  
Schedule of Findings and Questioned Costs (Continued)  
For the Year Ended June 30, 2017

**Section III – Federal Award Findings and Questioned Costs (Continued)**

***Questioned Costs***

\$5,030,931

***Context***

Four (4) subrecipients totaling \$5,564,282 were selected for testing from a population of 16 subrecipients totaling \$7,511,048. One (1) subrecipient tested totaling \$5,030,931 was not subjected to OCCR's procurement procedures. All samples selected are statistically valid samples.

***Recommendation***

We recommend that OCCR adhere to their procurement procedures prior to entering into a contract with the subrecipient.

***Management Response and Planned Corrective Action***

1. Person responsible: Lydia Garcia, Contract Development & Management Manager
2. Corrective action plan:
  - The next procurement for the WIOA funded services will be handled by OCCR Contract Development and Management by employees trained and certified in County procurement processes to ensure procurement transactions are consistent with open competitive procurement requirements.
  - Implemented a procurement checklist to ensure the suspension/debarment screening is completed prior to Board approval; Copies of screening results are retained with the procurement documents; Annual file reviews will be performed to verify the suspension/debarment screening is completed in a timely manner.
3. Anticipated implementation date: March 22, 2018

**COUNTY OF ORANGE, CALIFORNIA**  
Schedule of Findings and Questioned Costs (Continued)  
For the Year Ended June 30, 2017

**Section III – Federal Award Findings and Questioned Costs (Continued)**

Reference Number:	2017-003
Federal Program Title:	Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements
Federal Catalog Number:	93.074
Federal Agency:	U.S. Department of Health and Human Services
Pass-Through Entity:	California Department of Public Health
Federal Award Number and Year:	EPO 14-10527 (2015)
Federal Program Title:	Continuum of Care
Federal Catalog Number:	14.267
Federal Agency:	U.S. Department of Housing and Urban Development
Federal Award Numbers and Year:	CA0581L9D021508 (2016) and CA1440L9D021500 (2016)
Federal Program Titles:	WIA/WIOA Adult Program, WIA/WIOA Youth Activities, WIA/WIOA Dislocated Worker Formula Grants (WIOA Cluster)
Federal Catalog Numbers:	17.258/17.259/17.278
Federal Agency:	U.S. Department of Labor
Pass-Through Entity:	California Employment Development Department
Federal Award Numbers and Year:	K594778 (2016), K698379 (2016), K7102052 (2016)
Federal Program Title:	HIV Prevention Activities Health Department Based
Federal Catalog Number:	93.940
Federal Agency:	U.S. Department of Health and Human Services
Pass-Through Entity:	California Department of Public Health, Office of Aids
Federal Award Numbers and Year:	15-10943 (2016) and 15-10972 (2016)
Category of Finding:	Procurement and Suspension and Debarment

***Criteria***

In accordance with *Title 2 U.S. Code of Federal Regulation (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) Subpart D §200.110 –Effective/applicability date states:*

- (a) The standards set forth in this part that affect the administration of Federal awards issued by Federal awarding agencies become effective once implemented by Federal awarding agencies or when any future amendment to this part becomes final. Federal awarding agencies must implement the policies and procedures applicable to Federal awards by promulgating a regulation to be effective by December 26, 2014, unless different provisions are required by statute or approved by OMB. For the procurement standards in §§ 200.317 through 200.326, non-Federal entities may continue to comply with the procurement standards in previous OMB guidance (as reflected in §200.104) for a total of three fiscal years after this part goes into effect. As such, the effective date for implementation of the

**COUNTY OF ORANGE, CALIFORNIA**  
Schedule of Findings and Questioned Costs (Continued)  
For the Year Ended June 30, 2017

**Section III – Federal Award Findings and Questioned Costs (Continued)**

procurement standards for non-Federal entities will start for fiscal years beginning on or after December 26, 2017. If a non-Federal entity chooses to use the previous procurement standards for all or part of these three fiscal years before adopting the procurement standards in this part, the non-Federal entity must document this decision in its internal procurement policies.

***Condition***

During our review of compliance with procurement requirements stated in 2 CFR §200.110, we noted that the County of Orange (County) did not document its election to defer the implementation of the procurement provisions under Uniform Guidance until July 1, 2018 in its County Procurement Manual (CPM).

***Cause***

The County Procurement Office (CPO) was not aware of the new procurement requirements stated in 2 CFR §200.110.

***Effect***

Failure to document the decision to defer the implementation of the procurement provisions under Uniform Guidance results in a noncompliance with 2 CFR §200.110.

***Questioned Costs***

There are no questioned costs.

***Context***

Not applicable.

***Recommendation***

We recommend that the CPO include a statement in the CPM regarding the election to defer the implementation of the procurement provisions under Uniform Guidance until July 1, 2018.

***Management Response and Planned Corrective Action***

1. Person responsible: Rob Richardson, County Procurement Officer
2. Corrective action plan: CPO will revise the CPM to include a statement indicating the County has elected to defer the implementation of the procurement provisions under Uniform Guidance until July 1, 2018. In addition, CPO has already updated its intranet site to include a statement regarding the deferment of the procurement provisions.
3. Anticipated implementation date: June 1, 2018

**COUNTY OF ORANGE, CALIFORNIA**  
Schedule of Findings and Questioned Costs (Continued)  
For the Year Ended June 30, 2017

**Section III – Federal Award Findings and Questioned Costs (Continued)**

Reference Number:	2017-004
Federal Program Title:	Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements
Federal Catalog Number:	93.074
Federal Agency:	U.S. Department of Health and Human Services
Pass-Through Entity:	California Department of Public Health
Federal Award Number and Year:	EPO 14-10527 (2015)
Category of Finding:	Program Income

***Criteria***

In accordance with the *California Department of Public Health (CDPH) Local Grant Application & Guidance for FY 2016-17 for Public Health Emergency Preparedness Program (PHEP) and Hospital Preparedness Program (HPP)*, the interest bearing accounts section states:

Local Entities may spend up to \$500 in “Interest Funds”. All funds can only be spent for administrative costs. Local Entities are responsible for tracking and spending these funds appropriately and do not need to be reflected in the FY 16-17 budgets and invoices. The remaining balance from FY 15-16 interest, as well as all other remaining interest, must all be paid back to CDPH on an annual basis.

***Condition***

During our review of compliance with the program income requirements stated in the CDPH Local Grant Application & Guidance for FY 2016-17 for program income for the PHEP and HPP program, we noted that the interest earned during FY 2016-17 and all other remaining interest from prior years in the amounts of \$6,660 and \$4,611, respectively, were not returned to the CDPH on an annual basis.

***Cause***

The Health Care Agency was not aware of the new program income requirements as stated in the CDPH Local Grant Application & Guidance for FY 2016-17.

***Effect***

Failure to return the interest earned on an annual basis, results in noncompliance as stated in the CDPH Local Grant Application & Guidance for FY 2016-17.

***Questioned Costs***

\$11,271 (amount represents unremitted program income)

***Context***

Not applicable.

**COUNTY OF ORANGE, CALIFORNIA**  
Schedule of Findings and Questioned Costs (Continued)  
For the Year Ended June 30, 2017

**Section III – Federal Award Findings and Questioned Costs (Continued)**

***Recommendation***

We recommend that management return interest earned annually as stated in the CDPH Local Grant Application & Guidance for FY 2016-17.

***Management Response and Planned Corrective Action***

1. Person responsible: Salvador Lopez, HCA Accounting Manager
2. Corrective action plan: The Auditor-Controller Health Care Agency Accounting Unit will implement procedures to monitor interest earned and ensure that interest earned in excess of \$500 be returned to the CDPH on an annual basis per the CDPH Local Grant Application & Guidance.
3. Anticipated implementation date: July 1, 2018

**COUNTY OF ORANGE, CALIFORNIA**  
Schedule of Findings and Questioned Costs (Continued)  
For the Year Ended June 30, 2017

**Section III – Federal Award Findings and Questioned Costs (Continued)**

Reference Number:	2017-005
Federal Program Title:	HIV Prevention Activities Health Department Based
Federal Catalog Number:	93.940
Federal Agency:	U.S. Department of Health and Human Services
Pass-Through Entity:	California Department of Public Health, Office of Aids
Federal Award Number and Year:	15-10943 (2016)
Category of Finding:	Subrecipient Monitoring

***Criteria***

In accordance with *Title 2 U.S. Code of Federal Regulation (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) Subpart D §200.331 –Requirements for pass-through entities states:*

All pass-through entities must:

- (a) Ensure that every subaward is clearly identified to the subrecipient as a subaward and includes the following information at the time of the subaward and if any of these data elements change, include the changes in subsequent subaward modification. When some of this information is not available, the pass-through entity must provide the best information available to describe the Federal award and subaward. Required information includes:

- (1) Federal Award Identification:

- (ii) Subrecipient's DUNS number

In accordance with 2 CFR Appendix A to Part 25(B), *Requirement for Data Universal Numbering System (DUNS) Numbers*, if you are authorized to make subawards under this award, you:

1. Must notify potential subrecipients that no entity may receive a subaward from you unless the entity has provided its DUNS number to you.
2. May not make a subaward to an entity unless the entity has provided its DUNS number to you.

***Condition***

During our review of compliance with the subrecipient monitoring requirements stated in 2 CFR section 200.331(a)(1) for two (2) subrecipients selected for testing, we noted that four (4) out of eight (8) subawards did not contain the DUNS number, which is required to be obtained prior to the issuance of the subaward as stated in 2 CFR Appendix A to Part 25(B). Each of the subrecipients selected included four (4) subawards that were in effect during the audit period of July 1, 2016 – June 30, 2017 resulting in a total eight (8) subawards.

Due to a prior year finding, the Health Care Agency addressed and issued a policy in November 2014, that requires a DUNS numbers effective for contracts issued after July 1, 2015. We noted that four (4) of the eight (8) subawards reviewed were issued after July 1, 2015 and included the DUNS number.

**COUNTY OF ORANGE, CALIFORNIA**  
Schedule of Findings and Questioned Costs (Continued)  
For the Year Ended June 30, 2017

**Section III – Federal Award Findings and Questioned Costs (Continued)**

***Cause***

The Health Care Agency did not have policies and procedures in place to obtain the DUNS number prior to issuance of the subaward. As a result, the DUNS number for the subrecipient was not included in the subaward.

***Effect***

Failure to obtain the DUNS number prior to the issuance of the subaward, results in an incomplete evaluation of the subrecipient's eligibility for Federal funds and results in noncompliance with 2 CFR §200.331 and 2 CFR Appendix A to Part 25.

***Questioned Costs***

There are no questioned costs.

***Context***

Two (2) subrecipients totaling \$335,377 were selected for testing from a total population of three (3) subrecipients, totaling \$449,173. Each of the two (2) subrecipients were issued four (4) subawards during the period of July 1, 2016 – June 30, 2017 resulting in a total of eight (8) subawards. For four (4) of the eight (8) subawards tested, a DUNS number was not included in the subaward. All samples selected are statistically valid samples.

***Recommendation***

We recommend that management design and implement procedures to obtain and update the DUNS number for subrecipients prior to the issuance of a subaward in accordance with the Federal requirements.

***Management Response and Corrective Action***

1. Person responsible: Susie Kim, Contract Services Division Manager
2. Corrective action plan: The Health Care Agency implemented procedures in November of 2014 to begin collecting DUNS number for new contracts starting on July 1, 2015 and after but acknowledges that this process was implemented after the issuance of the subaward(s) in question. The Contract Services Division will review all current subrecipient contracts for compliance and document any corrections necessary.
3. Implementation date: November 24, 2014, for new contracts started on July 1, 2015.



**COUNTY OF ORANGE, CALIFORNIA**  
Schedule of Findings and Questioned Costs (Continued)  
For the Year Ended June 30, 2017

**Section III – Federal Award Findings and Questioned Costs (Continued)**

Reference Number:	2017-006
Federal Program Title:	Continuum of Care Program
Federal Catalog Number:	14.267
Federal Agency:	U.S. Department of Housing and Urban Development
Federal Award Numbers and Year:	CA0581L9D021508 (2016) and CA1440L9D021500 (2016)
Category of Finding:	Procurement and Suspension and Debarment

***Criteria***

In accordance with 2 CFR §180.300, when an entity enters into a covered transaction with another person at the next lower tier, the entity must verify that the person is not excluded or disqualified. The entity can do this by:

1. Checking the Excluded Parties List System (EPLS) (i.e. System for Award Management Exclusions); or
2. Collecting a certification from that person; or
3. Adding a clause or condition to the covered transaction with that person.

***Condition***

During our review of compliance with the procurement requirements for vendors, we noted that the Orange County Community Resources (OCCR) department entered into two (2) contracts with two (2) vendors in FY 2016-17 and did not verify that the vendors were not debarred, suspended, or otherwise excluded.

***Cause***

OCCR was unaware of the suspension and debarment requirements as stated in 2 CFR §180.300.

***Effect***

Failure to follow the procurement standards when entering into a contract results in noncompliance with federal regulations.

***Questioned Costs***

Not applicable.

***Context***

Two (2) vendors totaling \$342,602 were selected for testing from a population of two (2) vendors entering into contracts in FY 2016-17. The two (2) vendors tested were not evaluated for suspension/debarment prior to the execution of the contract.

**COUNTY OF ORANGE, CALIFORNIA**  
Schedule of Findings and Questioned Costs (Continued)  
For the Year Ended June 30, 2017

**Section III – Federal Award Findings and Questioned Costs (Continued)**

***Recommendation***

We recommend that OCCR adhere to their procurement procedures prior to entering into a contract with the vendor.

***Management Response and Planned Corrective Action***

1. Person responsible: Lydia Garcia, Contract Development & Management Manager and Tui Tuiteleleapaga, Purchasing Manager
2. Corrective action plan:
  - The two vendors identified were screened as of March 29, 2018.
  - OC Community Resources will conduct additional training to ensure that program managers and procurement staff are aware of the requirement for debarment screening.
  - Copies of screening results are retained with the procurement documents.
  - Annual file reviews will be performed to verify the suspension/debarment screening is completed in a timely manner.
3. Anticipated implementation date: March 29, 2018

**COUNTY OF ORANGE, CALIFORNIA**

Schedule of Prior Audit Findings

For the Year Ended June 30, 2017

<i>Prior Year Federal Award Findings</i>				
<b>Finding No.</b>	<b>Federal Program Name</b>	<b>CFDA No.</b>	<b>Compliance Requirements</b>	<b>Status of Corrective Action</b>
2014-003	Block Grants for Prevention and Treatment of Substance Abuse	93.959	Subrecipient Monitoring	In progress. A policy was established to address the issue in November 2014 and will be applied prospectively to new contracts. There were no new contracts entered into in fiscal year 2017.
2015-001	Aging Cluster; Medical Assistance Program	93.044; 93.045; 93.053; 93.778	Subrecipient Monitoring	In progress.  Orange County Community Resources – A policy was established to address the issue in March 2016 and will be applied prospectively to new contracts. There were no new contracts entered into in fiscal year 2017.  Health Care Agency – A policy was established to address the issue in November 2014 and will be applied prospectively to new contracts. There were no new contracts entered into in fiscal year 2017.
2016-001	SNAP Cluster; HIV Emergency Relief Project Grants; Block Grants for Community Mental Health Services	10.561; 93.914; 93.958	Subrecipient Monitoring	In progress. A policy was established to address the issue in November 2014 and will be applied prospectively to new contracts. There were no new contracts entered into in fiscal year 2017.