

COUNTY OF SAN JOAQUIN, CALIFORNIA

**SINGLE AUDIT REPORT
(UNIFORM GUIDANCE)**

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

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VAVRINEK, TRINE, DAY & CO., LLP
Certified Public Accountants

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**INDEPENDENT AUDITORS' 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**

To the Honorable Board of Supervisors
County of San Joaquin, 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 San Joaquin, California (County), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated March 22, 2019. Our report includes an emphasis of matter regarding prior period adjustments for the correction of errors and the County's adoption of Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, effective July 1, 2017. Our report also includes a reference to other auditors who audited the financial statements of the Health Plan of San Joaquin 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 the other 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.

Our consideration of internal control was for the limited purpose described in the first paragraph 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 have not been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as item 2018-010 to be material weaknesses.

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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2018-001 through 2018-009 to be significant deficiencies.

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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

County's Response to Findings

The County's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs and separate corrective action plan. 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.

Vavrinik, Trine, Day & Co. LLP

Sacramento, California
March 22, 2019



VAVRINEK, TRINE, DAY & CO., LLP
Certified Public Accountants

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE; AND SUPPLEMENTAL SCHEDULES OF OFFICE OF CALIFORNIA STATE DEPARTMENT OF AGING GRANTS AND CALIFORNIA DEPARTMENTS OF COMMUNITY SERVICES AND DEVELOPMENT

To the Honorable Board of Supervisors
County of San Joaquin, California

Report on Compliance for Each Major Federal Program

We have audited the County of San Joaquin, California's (County) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have direct and material effect on each of the County's major federal programs for the year ended June 30, 2018. 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.

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.

Auditors' 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 Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (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 qualified and unmodified opinions on compliance for major federal programs. However, our audit does not provide a legal determination of the County's compliance.

Basis for Qualified Opinion on Adoption Assistance Program and Medicaid Cluster Program

As described in the accompanying schedule of findings and questioned costs, the County did not comply with requirements regarding CFDA 93.659 Adoption Assistance Program as described in finding number 2018-015 for Eligibility and CFDA 93.778 Medicaid Cluster Program as described in finding number 2018-011 for Eligibility. Compliance with such requirements is necessary, in our opinion, for the County to comply with the requirements applicable to the programs.

Qualified Opinion on Adoption Assistance Program and Medicaid Cluster Program

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 the Adoption Assistance Program and the Medicaid Cluster Program for the year ended June 30, 2018.

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, 2018.

Other Matters

The results of our auditing procedures disclosed other 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 2018-012 through 2018-014. Our opinion on each major federal program is not modified with respect to these matters.

The County's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs and separate corrective action plan. The County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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 have not been identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses 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 2018-011 and 2018-015 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 2018-012 through 2018-014 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 and separate corrective action plan. The County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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, Supplemental Schedule of the Office of California State Department of Aging Grants and Supplemental Schedule of the California Department of Community Services and Development

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, 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated March 22, 2019, which contained unmodified opinions on those financial statements. Our report includes an emphasis of matter regarding prior period adjustments for the correction of errors and the County's adoption of Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, effective July 1, 2017. Our report also includes a reference to other auditors who audited the financial statements of the Health Plan of San Joaquin 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 as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. The Supplemental Schedules of Office of California State Department of Aging Grants and Department of Community Services and Development are presented for purposes of additional analysis 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 supplemental schedules of the Office of California State Department of Aging Grants and Department of Community Services and Development are fairly stated, in all material respects, in relation to the financial statements as a whole.

Varrinick, Trine, Day & Co. LLP

Sacramento, California
March 22, 2019

COUNTY OF SAN JOAQUIN, CALIFORNIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number or Grant Number	Federal Expenditures	Passed Through to Subrecipients
United States Department of Agriculture				
Direct Programs:				
Plant and Animal Disease, Pest Control, and Animal Care - Light Brown Apple Moth Trapping (LBAM-T)	10.025	17-8506-1164-CA / 17-0154-017-SF	\$ 9,563	\$ -
Plant and Animal Disease, Pest Control, and Animal Care - Light Brown Apple Moth Regulatory	10.025	17-8506-1164-CA / 17-0154-036-SF	4,089	-
Plant and Animal Disease, Pest Control, and Animal Care - Asian Citrus Psyllid Detection (ACP)	10.025	18-8506-1211-CA / 17-0428-004-SF	160,740	-
Plant and Animal Disease, Pest Control, and Animal Care - European Grape Vine Moth (EGVM-T)	10.025	N/A	212,878	-
Plant and Animal Disease, Pest Control, and Animal Care - European Grape Vine Moth Trapping (EGVM-T)	10.025	18-8506-1317-CA / 17-0549-002-SF	145,918	-
Plant and Animal Disease, Pest Control, and Animal Care - Exotic Fruit Fly (Pest Detection/Emergency Projects)	10.025	16-8506-0934-GR	180,055	-
Plant and Animal Disease, Pest Control, and Animal Care - Exotic Fruit Fly (Pest Detection/Emergency Projects)	10.025	17-0150	237,328	-
Plant and Animal Disease, Pest Control, and Animal Care - Glassy-winged Sharpshooter (GWSS)	10.025	16-8506-0484-CA	23,856	-
Plant and Animal Disease, Pest Control, and Animal Care - Glassy-winged Sharpshooter / Pierce's Disease Program	10.025	16-8506-0484-CA / 16-0420-SF	177,982	-
Plant and Animal Disease, Pest Control, and Animal Care - Pyrophthora Ramorum (SOD)	10.025	17-8506-0572-CA / 17-0213-013-SF	3,375	-
Subtotal Plant and Animal Disease, Pest Control, and Animal Care			1,075,784	-
Specialty Crop Block Grant Program - Farm Bill	10.170	SBG15028	37,810	3,408
Passed through California Department of Aging:				
Senior Farmers Market Nutrition Program	10.576	2016	10,020	-
Passed through California Department of Education:				
Child Nutrition Cluster:				
School Breakfast Program (SBP) - School Lunch, School Breakfast, and Special Milk Programs	10.553	02526-SN-39-R	194,680	-
Passed through California Department of Public Health:				
WIC - Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	15-10111	2,191,780	-
Passed through California Department of Social Services:				
Supplemental Nutrition Assistance Program (SNAP) Cluster:				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program - Nutrition Network - Federal Share	10.561	16-10176	1,069,740	197,606
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program - CalFresh (Food Stamps), CFET and CFET Enhanced	10.561	39-2018-SNAP ADMIN	11,326,370	229,233
Subtotal SNAP Cluster			12,396,110	426,839
Food Distribution Cluster:				
Emergency Food Assistance Program	10.568	15-MOU-00139 (FFY 2016-17)	40,961	-
Emergency Food Assistance Program	10.568	15-MOU-139 (FFY 2017-18)	118,116	-
Emergency Food Assistance Program (Food Commodities) - In-Kind Food	10.569	15-6057 (FFY 2017-18)	1,294,926	-
Subtotal Food Distribution Cluster			1,454,003	-
Total United States Department of Agriculture			17,360,187	430,247
United States Department of Commerce				
Direct Programs:				
Economic Development Cluster:				
Economic Adjustment Assistance - Revolving Loan Fund - Bank of Stockton	11.307	07-19-01936	6,556,043	-
Total United States Department of Commerce			6,556,043	-
United States Department of Housing and Urban Development				
Direct Programs:				
Community Development Block Grants/Entitlement Grants Cluster:				
Community Development Block Grants/Entitlement Grants - City of Stockton	14.218	OB 2145433 / 2017-06-20-1503-10-NP	14,000	-
Community Development Block Grants/Entitlement Grants	14.218	B-10-UC-06-0009	1,119,685	1,051,224
Community Development Block Grants/Entitlement Grants	14.218	B-12-UC-06-0009	6,883	-
Community Development Block Grants/Entitlement Grants	14.218	B-14-UC-06-0009	79,129	-
Community Development Block Grants/Entitlement Grants	14.218	B-15-UC-06-0009	582,055	341,167
Community Development Block Grants/Entitlement Grants	14.218	B-16-UC-06-0009	528,107	320,887
Community Development Block Grants/Entitlement Grants	14.218	B-17-UC-06-0009	1,710,182	424,781
Community Development Block Grants/Entitlement Grants	14.218	Loan	8,277,002	-
Community Development Block Grants/Entitlement Grants	14.218	Program Income	74,179	-
Subtotal Community Development Block Grants/Entitlement Grants Cluster			12,391,222	2,138,059
Emergency Solutions Grant Program				
Emergency Solutions Grant Program	14.231	S-15-UC-06-0009	26,746	26,746
Emergency Solutions Grant Program	14.231	S-16-UC-06-0009	58,377	49,282
Emergency Solutions Grant Program	14.231	S-17-UC-06-0009	143,830	127,849
Subtotal Emergency Solutions Grants Program			228,953	203,877
Continuum of Care Program - CARE				
Continuum of Care Program - CARE	14.267	CA0902L9T111506	69,621	69,621
Continuum of Care Program - CARE	14.267	CA0902L9T111607	271,690	271,690
Continuum of Care Program - CHARM	14.267	CA0248L9T111506	27,237	27,237
Continuum of Care Program - CHARM	14.267	CA0248L9T111607	79,018	79,018
Continuum of Care Program - H2H II	14.267	CA0250L9T111507	837	837
Continuum of Care Program - H2H II	14.267	CA0250L9T111608	246,237	233,872
Continuum of Care Program - Hermanas I	14.267	CA0825L9T111506	15,080	15,080
Continuum of Care Program - Hermanas I	14.267	CA0825L9T111607	110,734	110,734
Continuum of Care Program - Hermanas II	14.267	CA0761L9T111505	67,611	67,611
Continuum of Care Program - Hermanas II	14.267	CA0761L9T111604	47,995	47,995
Continuum of Care Program - HOPE	14.267	CA0252L9T111507	73,267	73,267
Continuum of Care Program - HOPE	14.267	CA0252L9T111608	280,530	280,530
Continuum of Care Program - Horizons	14.267	CA0762L9T111506	6,654	6,654
Continuum of Care Program - Horizons	14.267	CA0762L9T111607	177,971	177,971
Continuum of Care Program - Horizons	14.267	CA0762L9T111708	3,733	3,733
Continuum of Care Program - SPICE	14.267	CA0763L9T111505	11,376	11,376
Continuum of Care Program - SPICE	14.267	CA0763L9T111606	136,319	136,319
Subtotal Continuum of Care Program			1,625,910	1,613,545
Shelter Plus Care				
Shelter Plus Care 2014 SPC-C R8	14.238	CA0253L9T111508	402,623	402,623
Shelter Plus Care 2015 SPC-C R9	14.238	CA0253L9T111609	1,673,029	1,673,029
Shelter Plus Care 2016 SPC-05R	14.238	CA0835L9T111602	156,030	156,030
Shelter Plus Care 2017 SPC-05R	14.238	CA0835L9T111703	48,953	48,953
Shelter Plus Care 2015 SPC-05R	14.238	CA0967L9T111601	86,914	86,914
Shelter Plus Care 2010 SPC-6	14.238	CA0967L9T111702	22,257	22,257
Subtotal Shelter Plus Care			2,389,806	2,389,806

See accompanying notes to the Schedule of Expenditures of Federal Awards

COUNTY OF SAN JOAQUIN, CALIFORNIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED) FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number or Grant Number	Federal Expenditures	Passed Through to Subrecipients
United States Department of Housing and Urban Development (Continued)				
HOME Investment Partnerships Program	14.239	M11-UC-06-0009	\$ 53,494	\$ 43,494
HOME Investment Partnerships Program	14.239	M12-UC-06-0009	522,659	522,659
HOME Investment Partnerships Program	14.239	M13-UC-06-0009	662,554	662,554
HOME Investment Partnerships Program	14.239	M16-UC-06-0009	398,627	398,627
HOME Investment Partnerships Program	14.239	Loan	9,094,775	-
HOME Investment Partnerships Program	14.239	Program income	351,087	-
Subtotal HOME Investment Partnerships Program			11,083,196	1,627,334
Passed through California Department of Health Care Services:				
Housing Opportunities for People with AIDS - HOPWA	14.241	16-10307 A01	438,526	269,106
Total United States Department of Housing and Urban Development			28,157,613	8,241,727
United States Department of Justice				
Direct Programs:				
Law Enforcement Assistance Narcotics and Dangerous Drugs Laboratory Analysis - Drug Enforcement Admin Domestic Cannabis Eradication	16.U01	2017-42, 2018-40	38,542	-
Subtotal Law Enforcement Assistance Narcotics and Dangerous Drugs Laboratory Analysis			38,542	-
Edward Byrne Memorial Justice Assistance Grant (JAG)	16.738	BSCC 604-17	544,223	-
Edward Byrne Memorial Justice Assistance Grant (JAG)	16.738	2015-DJ-BX-0679	28,462	-
Edward Byrne Memorial Justice Assistance Grant (JAG)	16.738	2016-DJ-BX-1007	110,241	-
Edward Byrne Memorial Justice Assistance Grant (JAG)	16.738	2017-DJ-BX	78,762	-
Subtotal Edward Byrne Memorial Justice Assistance Grant			761,688	-
Criminal and Juvenile Justice and Mental Health Collaboration Program - SJC JMH Collaboration Planning Project	16.745	2017-MO-BX-0050	42,509	-
Second Chance Act Reentry Initiative - ARCCS-Assisting Reentry for Co-occurring Adults through Collective Support	16.812	2015-RW-BX-0008 (Year 2)	218,091	102,721
Passed through Board of State and Community Corrections:				
Juvenile Justice and Delinquency Prevention - RRED - Reducing Racial & Ethnic Disparities	16.540	BSCC #395-16 - Year 2	73,131	32,421
Juvenile Justice and Delinquency Prevention - RRED - Reducing Racial & Ethnic Disparities	16.540	BSCC #395-17 - Year 1	112,877	1,750
Subtotal Juvenile Justice and Delinquency Prevention			186,008	34,171
Passed through California Governors Office of Emergency Services:				
Crime Victim Assistance	16.575	VCGC-2057	782,134	-
Crime Victim Assistance - Victim Witness Assistance	16.575	VW15340390	314,681	-
Crime Victim Assistance - Victim Witness Assistance	16.575	VW 16 35 0390	272,849	-
Crime Victim Assistance - Victim Witness Assistance	16.575	VW 17 36 0390	579,777	-
Crime Victim Assistance - Unreserved/Underserved Advocacy Outreach Program	16.575	UV16020390	189,123	-
Crime Victim Assistance - County Victim Services (XC) Program	16.575	XC 16 01 0390	163,916	-
Subtotal Crime Victim Assistance			2,302,480	-
Violence Against Women Formula Grants - DOJ-OVW STOP VAWA	16.588	PUI16070390 (YEAR 2)	22,157	-
Violence Against Women Formula Grants - DOJ-OVW STOP VAWA	16.588	PUI17070390 (YEAR 1)	92,853	-
Subtotal Violence Against Women Formula Grants			115,010	-
Total United States Department of Justice			3,664,328	136,892
United States Department of Labor				
Passed through California Department of Aging:				
Senior Community Service Employment Program - California Dept of Aging - Title V	17.235	TV-1718-11	116,543	-
Passed through California Employment Development Department:				
Workforce Innovation and Opportunity Act (WIOA) Cluster:				
WIOA Adult Program - WIOA ADULT (201)	17.258	K8106683	357,944	-
WIOA Adult Program - WIOA ADULT (202)	17.258	K7102071	596,512	-
WIOA Adult Program - WIOA ADULT (202)	17.258	K8106683	1,564,780	-
Subtotal WIOA Adult Program			2,519,236	-
WIOA Youth Activities - WIOA YOUTH (301)	17.259	K7102071	640,533	-
WIOA Youth Activities - WIOA YOUTH (301)	17.259	K8106683	2,149,576	1,100,000
Subtotal WIOA Youth Activities			2,790,109	1,100,000
WIOA Dislocated Worker Formula Grants - WIOA RAPID RESPONSE LAYOFF AVERSION (292)	17.278	K8106683	11,091	-
WIOA Dislocated Worker Formula Grants - WIOA RAPID RESPONSE LAYOFF AVERSION (293)	17.278	K7102071	412	-
WIOA Dislocated Worker Formula Grants - WIOA RAPID RESPONSE LAYOFF AVERSION (293)	17.278	K8106683	24,771	-
WIOA Dislocated Worker Formula Grants - WIOA - Transferred Dislocated Worker to Adult (500)	17.278	K8106683	370,990	-
WIOA Dislocated Worker Formula Grants - WIOA DW FORMULA (501)	17.278	K8106683	395,080	-
WIOA Dislocated Worker Formula Grants - WIOA DW FORMULA (502)	17.278	K7102071	911,779	-
WIOA Dislocated Worker Formula Grants - WIOA DW FORMULA (502)	17.278	K8106683	770,562	-
WIOA Dislocated Worker Formula Grants - WIOA RAPID RESPONSE (540)	17.278	K8106683	39,323	-
WIOA Dislocated Worker Formula Grants - WIOA RAPID RESPONSE (541)	17.278	K7102071	3,397	-
WIOA Dislocated Worker Formula Grants - WIOA RAPID RESPONSE (541)	17.278	K8106683	169,225	-
WIOA Dislocated Worker Formula Grants - Merced Training Reimbursement (555)	17.278	N/A	2,171	-
WIOA Dislocated Worker Formula Grants - Merced Training Reimbursement (555)	17.278	N/A	27,143	-
WIOA Dislocated Worker Formula Grants - WIOA CalJOBS VOS Enhancement: Touch Screen Technology (1090)	17.278	K7102071	3,258	-
WIOA Dislocated Worker Formula Grants - WIOA Dislocated Worker Additional Assistance (1106)	17.278	K7102071	233,365	-
Subtotal WIOA Dislocated Worker Formula Grants			2,962,567	-
Subtotal WIOA Cluster			8,271,912	1,100,000
WIOA Dislocated Worker Formula Grants - Summer Training and Employment Program for Students (634)	17.U01	N/A	17,733	-
Total United States Department of Labor			8,406,188	1,100,000
United States Department of Transportation				
Direct Programs:				
Airport Improvement Program - AIP-37 Reconstruct General Aviation Apron Phase 2	20.106	3-06-0250-037-2017	423,041	-
Airport Improvement Program - AIP-38 Rehab Taxiways B East and West, D West, D7, D9 and Cargo Apron	20.106	3-06-0250-038-2017	410,486	-
Airport Improvement Program - AIP-39 Taxiway B Extension to Runway 29R End	20.106	3-06-0250-039	462,795	-
Airport Improvement Program - AIP-40 Terminal Apron Extension	20.106	3-06-0250-040	389,000	-
Airport Improvement Program - AIP-41 ENVIRONMENTAL ASSESSMENT CARGO APRON EXTENSION	20.106	3-06-0250-041	19,811	-
Subtotal Airport Improvement Program			1,625,133	-

See accompanying notes to the Schedule of Expenditures of Federal Awards

COUNTY OF SAN JOAQUIN, CALIFORNIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED) FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number or Grant Number	Federal Expenditures	Passed Through to Subrecipients
United States Department of Transportation (Continued)				
Passed through California Department of Transportation (CALTRANS):				
Highway Planning and Construction Cluster:				
Highway Planning & Construction - Wildwood Road over Temple Creek	20.205	BRLO-5929 (217)	\$ 1,570,511	\$ -
Highway Planning & Construction - Victory Road over Lone Tree Creek	20.205	BRLO-5929 (216)	87,535	-
Highway Planning & Construction - Modesto, McHenry Ave from Jones Rd to Stanislaus City Line Widen Road	20.205	STPL-5929 (196)	1,997,947	-
Highway Planning & Construction - Stanley Road over Little Johns Creek	20.205	BPMP-5929(224)	16,975	-
Highway Planning & Construction - Van Allen Road over S. Little Johns Creek	20.205	BPMP-5929(226)	17,174	-
Highway Planning & Construction - Mariposa Road over S. Little Johns Creek	20.205	BPMP-5929(227)	435,426	-
Highway Planning & Construction - Austin Rd over N. Fork of Little Johns Creek	20.205	BPMP-5929(223)	2,664	-
Highway Planning & Construction - McHenry Ave. Bridge Replacement	20.205	BRLS-5929 (166)	8,859,192	-
Highway Planning & Construction - McHenry Ave. Bridge Replacement	20.205	BRLS-5929 (167)	1,349,590	-
Highway Planning & Construction - Escalon Bellota Rd over Mormon Slough	20.205	BRLS-5929(192)	69,061	-
Highway Planning & Construction - Pelier Road Bridge No. 29C-037 Rehabilitation	20.205	BRLS-5929(237)	399,427	-
Highway Planning & Construction - Bolica Road over Bear Creek Bridge #29C0413	20.205	BRLO-5929(236)	48,452	-
Highway Planning & Construction - Buckman Road Bridge No. 29C-307 Rehabilitation	20.205	BRLO-5929(241)	83,593	-
Highway Planning & Construction - Eight Mile Road Bridge No. 29C-219 Rehabilitation	20.205	BRLS-5929(233)	71,739	-
Highway Planning & Construction - Escalon Bellota Road Bridge No. 29C-038 Replacement	20.205	BRLS-5929(238)	62,604	-
Highway Planning & Construction - Escalon Bellota Rd 29C-051 Replacement	20.205	BRLS-5929(276)	40,729	-
Highway Planning & Construction - Pezzi Road Bridge No. 29C-199 Rehabilitation	20.205	BRLO-5929(240)	68,087	-
Highway Planning & Construction - Sexton Road Bridge No. 29C-319 Replacement	20.205	BRLO-5929(242)	113,392	-
Highway Planning & Construction - Walnut Grove Road Bridge No. 29C-131 Replacement	20.205	BRLS-5929(239)	176,683	-
Highway Planning & Construction - Wimer Road Bridge No. 29C-303 Rehabilitation	20.205	BRLO-5929(235)	98,516	-
Highway Planning & Construction - Cotta Road over Upland Canal, Bridge #29C0292	20.205	BRLO-5929(234)	109,249	-
Highway Planning & Construction - Buckman Rd over Duck Creek #29C-0227	20.205	BRLO-5929(245)	66,392	-
Highway Planning & Construction - Intersection of Wilson Way and MacAllen Road	20.205	HSIP-5929 (232)	117,172	-
Highway Planning & Construction - Cherokee Rd & Newoon Rd Intrsect Impr - HSP	20.205	HSIP-5929 (266)	133	-
Highway Planning & Construction - Walnut Grove Road Resurfacing - STP	20.205	STPL-5929(269)	686	-
Highway Planning & Construction - Escalon-Bellota Resurfacing CL to Mariposa	20.205	STPL-5929(270)	12,337	-
Highway Planning & Construction - Jack Tone Rd (Harney Lne to Jack Tone Rd)	20.205	STPL-5929(271)	1,497,270	-
Highway Planning & Construction - Movable Span Bridges - Inspection	20.205	BRLS-5929(229)	283,478	-
Highway Planning & Construction - McHenry Ave. and River Rd. Traffic Signal	20.205	CML-5929 (247)	197,256	-
Highway Planning & Construction - Ninth St (B to D St), Tenth St (B to D St), and Thirteenth St (B to D St)	20.205	CML-5929 (249)	1,164,346	-
Highway Planning & Construction - Messick Rd Bridge # 29C-274 Replacement	20.205	BRLO-5929(254)	30,764	-
Highway Planning & Construction - Cherokee Rd (Sanguinetti Lane to Diverting Canal)	20.205	STPCML-5929 (256)	1,538,551	-
Highway Planning & Construction - BRIDGE JOINT SEAL REPLACEMENT	20.205	BPMP-5929 (257)	3,829	-
Highway Planning & Construction - BRIDGE BARRIER RAIL REPLACEMENT PROGRAM	20.205	BPMP-5929 (259)	1,065,622	-
Highway Planning & Construction - DELTA MENDOTA BRIDGE RAILING REPLACEMENT	20.205	BPMP-5929 (260)	44,408	-
Highway Planning & Construction - FINE ROAD BRIDGE (29C-228)	20.205	BPMP-5929 (261)	38,468	-
Highway Planning & Construction - HARNEY LANE BRIDGE (29C-341)	20.205	BPMP-5929 (262)	41,503	-
Highway Planning & Construction - Ash St & Mathews Road Resurfacing	20.205	STPL-5929(277)	88,268	-
Highway Planning & Construction - West Lane Resurfacing (West Side Only)	20.205	STPL-5929(278)	111,717	-
Highway Planning & Construction - Eight Mile Road Resurfacing	20.205	STPL-5929(279)	626,533	-
Highway Planning & Construction - Washington Street Resurfacing	20.205	STPL-5929(280)	480,025	-
Highway Planning & Construction - Union Road Safety Improvements	20.205	HRRRL-5929(283)	8,380	-
Highway Planning & Construction - Bird Road Safety Improvements	20.205	HRRRL-5929(284)	9,529	-
Highway Planning & Construction - Austin Road Safety Improvements	20.205	HRRRL-5929(285)	76,381	-
Highway Planning & Construction - French Camp Road Safety Improvements	20.205	HRRRL-5929(286)	19,081	-
Highway Planning & Construction - Byron Rd/Grant Line Rd Roundabout	20.205	HRRRL-5929(288)	114,578	-
Highway Planning & Construction - Duncan/Comstock Rd Roundabout	20.205	HRRRL-5929(289)	10,004	-
Highway Planning & Construction - Liberty/Dustin Rd Roundabout	20.205	HRRRL-5929(290)	18,568	-
Highway Planning & Construction - Rubberized Chip Seal 2016-2017	20.205	STPL-5929(293)	1,195,186	-
Highway Planning & Construction - Blossom Rd to Thornton Rd Resurfacing	20.205	STPL-5929(294)	104,236	-
Highway Planning & Construction - Develop Bridge Maintenance Plan	20.205	BPMP-5929(292)	17,876	-
Highway Planning & Construction - El Dorado Street Resurfacing - STP	20.205	STPL-5929(295)	71,303	-
Highway Planning & Construction - West Lane Resurfacing (East Side Only) - STP	20.205	STPL-5929(297)	36,286	-
Highway Planning & Construction - West Lane Resurfacing (West Side Only) - STP	20.205	STPL-5929(298)	39,963	-
Highway Planning & Construction - French Camp Road Resurfacing	20.205	STPL-5929(296)	53,919	-
Highway Planning & Construction - West Ripon Road Resurfacing	20.205	STPL-5929(300)	7,724	-
Highway Planning & Construction - COUNTYWIDE SOLAR RED FLASHING LED BEACON	20.205	HRRRL-5929(287)	240,060	-
Highway Planning & Construction - Woodward Island Ferry Replacement with a Bridge	20.205	BRNBIF 5929 (154)	526,616	-
Subtotal Highway Planning and Construction Cluster			25,546,994	-
Passed through California Office of Traffic Safety:				
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	AL1710 - YEAR 2	37,499	-
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	AL18022 - YEAR 1	119,788	-
Subtotal Minimum Penalties for Repeat Offenders for Driving While Intoxicated			157,287	-
Total United States Department of Transportation			27,329,414	-
United States Department of Energy				
Passed through California Department of Community Services and Development:				
Weatherization Assistance for Low-Income Persons	81.042	16C-6031	16	-
Total United States Department of Energy			16	-
United States Department of Health and Human Services				
Passed through California Department of Aging:				
Aging Cluster:				
Special Programs for the Aging, Title VII, Chapter 3, Programs for Prevention of Elder Abuse, Neglect, and Exploitation	93.041	AP-1718-11	5,814	-
Special Programs for the Aging, Title VII, Chapter 2, Long Term Care Ombudsman Services for Older Individuals	93.042	AP-1718-11	32,802	-
Special programs for the Aging, Title III, Part D, Disease Prevention And Health Promotion Services	93.043	AP-1718-11	38,301	38,301
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	AP-1718-11	667,671	296,732
Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045	AP-1718-11	1,045,655	149,154
National Family Caregiver Support, Title III, Part E - Special Programs	93.052	AP-1718-11	284,793	5,533
Nutrition Services Incentive Program	93.053	AP-1718-11	159,806	22,180
Subtotal Aging Cluster			2,234,842	512,100

See accompanying notes to the Schedule of Expenditures of Federal Awards

COUNTY OF SAN JOAQUIN, CALIFORNIA

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number or Grant Number	Federal Expenditures	Passed Through to Subrecipients
United States Department of Health and Human Services (Continued)				
Passed through California Department of Alcohol and Drug Program:				
Block Grants for Prevention and Treatment of Substance Abuse - SAPT Block Grant - Discretionary	93.959	2017 Award	\$ 2,157,319	\$ -
Block Grants for Prevention and Treatment of Substance Abuse - SAPT Block Grant - Discretionary	93.959	2018 Award	28,553	-
Block Grants for Prevention and Treatment of Substance Abuse - SAPT Block Grant - Perinatal Set-Aside	93.959	2017 Award	191,893	-
Block Grants for Prevention and Treatment of Substance Abuse - SAPT Block Grant - Perinatal Set-Aside	93.959	2018 Award	12,700	-
Block Grants for Prevention and Treatment of Substance Abuse - SAPT Block Grant - Prevention	93.959	2017 Award	289,661	-
Block Grants for Prevention and Treatment of Substance Abuse - SAPT Block Grant - Prevention	93.959	2018 Award	159,734	-
Block Grants for Prevention and Treatment of Substance Abuse - SAPT Block Grant - Friday Night Live-Club Live	93.959	2017 Award	7,500	-
Block Grants for Prevention and Treatment of Substance Abuse - SAPT Adolescent/Youth Treatment Program	93.959	2017 Award	4,151	-
Subtotal Block Grants for Prevention and Treatment of Substance Abuse (SAPT)			<u>2,851,511</u>	<u>-</u>
Passed through California Department of Community Services & Development:				
Low-Income Home Energy Assistance - HEAP/ECIP	93.568	16B-4034	1,430	-
Low-Income Home Energy Assistance - HEAP/ECIP	93.568	17B-3034	480,404	-
Low-Income Home Energy Assistance - HEAP/ECIP	93.568	18B-4033	491,543	-
Low-Income Home Energy Assistance - Weatherization	93.568	17B-3034	493,970	-
Low-Income Home Energy Assistance - Weatherization	93.568	18B-4033	830,058	-
Subtotal Low-Income Home Energy Assistance Program			<u>2,297,405</u>	<u>-</u>
Community Services Block Grant (CSBG)	93.569	17F-2038	489,232	-
Community Services Block Grant (CSBG)	93.569	18F-5038	646,074	-
Subtotal Community Services Block Grant (CSBG)			<u>1,135,306</u>	<u>-</u>
Passed through California Department of Health Care Services:				
Public Health Emergency Preparedness (PHEP)	93.069	17-10189	876,493	-
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	93.074	17-10190	276,817	-
Special International Postdoctoral Research Program in Acquired Immunodeficiency Syndrome - Chlamydia/STD - CAPPS/CTSP, STD - CORE	93.154	15-10265	2,942	-
Immunization Cooperative Agreements - Immunization Registry Program - RIDE	93.268	16-10102	70,170	-
Immunization Cooperative Agreements - Immunization Project Subvention Funds Program IAP	93.268	17-10072	216,998	-
Subtotal Immunization Cooperative Agreements			<u>287,168</u>	<u>-</u>
Medicaid Cluster:				
Medical Assistance Program - IHSS	93.778	N/A	3,672,425	-
Medical Assistance Program - Child Lead Poisoning Prevention Program	93.778	17-10241	76,451	-
Medical Assistance Program - Child Health Disability Prevention - CHDP	93.778	CHDP Admin	448,693	-
Medical Assistance Program - Children's Medical Services - CMS (PHS)	93.778	DHCS ALLOCATION	2,868,565	-
Medical Assistance Program - Title XIX Grant - Local Dental Pilot Project	93.778	16-93568, 1705CASM&P	333,288	-
Medical Assistance Program - Medi-Cal	93.778	N/A	24,229,000	99,732
Subtotal Medicaid Cluster			<u>31,628,422</u>	<u>99,732</u>
HIV Care Formula Grants - Comprehensive AIDS Resources Emergency - CARE	93.917	15-11074	301,465	-
HIV Care Formula Grants - HIV Prevention	93.917	15-10948	132,714	-
HIV Care Formula Grants - Minority AIDS Initiative - MAI	93.917	15-11074	17,061	-
Subtotal HIV Care Formula Grants			<u>451,240</u>	<u>-</u>
HIV Demonstration, Research, Public and Professional Education Projects - AIDS Surveillance Program - ASP	93.941	16-10799	8,495	-
Assistance Programs for Chronic Disease - CDC Lifetime of Wellness	93.945	14-10716	582,668	11,630
Assistance Programs for Chronic Disease - NEOP: Prevention First	93.945	16-10555	20,486	12,098
Subtotal Assistance Programs for Chronic Disease			<u>603,154</u>	<u>23,728</u>
Maternal and Child Health Services Block Grant - Black Infant Health Program - BIH	93.994	Allocation No. 201739	515,756	-
Maternal and Child Health Services Block Grant	93.994	Allocation No. 201739	693,338	-
Subtotal Maternal and Child Health Services Block Grant			<u>1,209,094</u>	<u>-</u>
Passed through California Department of Mental Health:				
Projects for Assistance in Transition from Homelessness (PATH) - Homeless Federal Block Grant	93.150	N/A	240,348	-
Block Grants for Community Mental Health Services	93.958	N/A	1,715,255	337,681
Passed through California Department of Public Health:				
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	CDPH Allocation	177,723	-
Passed through California Department of Social Services:				
Guardianship Assistance - FedGap	93.090	N/A	899,721	-
Guardianship Assistance - KIN-GAP IV-E Admin	93.090	N/A	13,188	-
Subtotal Guardianship Assistance			<u>912,909</u>	<u>-</u>
Promoting Safe and Stable Families	93.556	N/A	689,970	422,729
Temporary Assistance for Needy Families (TANF) Cluster:				
Temporary Assistance for Needy Families - CalWORKs Asst	93.558	N/A	15,512,201	-
Temporary Assistance for Needy Families - CalWORKs ARC	93.558	N/A	299,707	-
Temporary Assistance for Needy Families - CalWORKs CEC Programs	93.558	N/A	26,966,371	8,310,052
Temporary Assistance for Needy Families - CWS TANF	93.558	N/A	4,754,567	-
Temporary Assistance for Needy Families - Emergency Assistance	93.558	N/A	1,967,562	-
Subtotal TANF Cluster			<u>49,500,408</u>	<u>8,310,052</u>
Child Support Enforcement	93.563	N/A	9,800,097	-
Child Support Enforcement Research - Behavioral Interventions for Child Support Services (BICS)	93.564	10-0673-18	112,761	-
Refugee and Entrant Assistance State/Replacement Designee Administered Programs - Refugee Cash Assistance	93.566	N/A	24,381	-
Adoption and Legal Guardianship Incentive Payments	93.603	N/A	5,412	-
Stephanie Tubbs Jones Child Welfare Services Program - CWS IV - B	93.645	N/A	605,808	-
Temporary Child Care and Crisis Nurseries - Probation IV - E (HSA Admin)	93.656	N/A	700,017	-
Foster Care Title IV-E	93.658	N/A	18,744,130	626,209
Adoption Assistance - Refugee Cash Assistance (RCA)	93.659	N/A	24,502	-
Adoption Assistance	93.659	N/A	9,941,014	-
Adoption Assistance - Adoptions (Admin) (Includes Eligibility)	93.659	N/A	1,246,996	-
Subtotal Adoption Assistance			<u>11,212,512</u>	<u>-</u>

See accompanying notes to the Schedule of Expenditures of Federal Awards

COUNTY OF SAN JOAQUIN, CALIFORNIA

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number or Grant Number	Federal Expenditures	Passed Through to Subrecipients
United States Department of Health and Human Services (Continued)				
Passed through California Department of Social Services (Continued):				
Social Services Block Grant - CWS Title XX	93.667	N/A	\$ 1,125,496	\$ -
Social Services Block Grant - CWS Title XX (Assistance)	93.667	N/A	1,048,484	-
Social Services Block Grant - CalWORKs CEC Single Allocation	93.667	N/A	2,156,234	-
Subtotal Social Services Block Grant			4,330,214	-
Chafee Foster Care Independence Program - ILP	93.674	N/A	294,714	-
Total United States Department of Health and Human Services			142,929,548	18,332,231
Corporation for National and Community Service				
Direct Programs:				
Retired & Senior Volunteer Program (RSVP)	94.002	15SRPCA006 (4/1/17 - 3/31/18)	36,703	-
Retired & Senior Volunteer Program (RSVP)	94.002	18SRPCA003	12,235	-
Subtotal Retired & Senior Volunteer Program			48,938	-
Total Corporation for National and Community Service			48,938	-
United States Department of Homeland Security				
Direct Programs:				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	FEMA-4308-DR-CA	565,485	-
HIS Rapid Infrared Threat Assessment Device (RITA)	97.0301	N/A	5,091	-
Passed through California Office of Emergency Services:				
Emergency Management Performance Grants	97.042	2016-0010	40,212	-
Emergency Management Performance Grants	97.042	2017-0007	276,795	-
Emergency Management Performance Grants - Hazard Mitigation Grant	97.042	2016-0108	27,162	-
Subtotal Emergency Management Performance Grants			344,169	-
Homeland Security Grant Program - FY 2015	97.067	2015-00078 ID #077-00000	607,865	-
Homeland Security Grant Program - FY 2016	97.067	2016-0102	172,434	-
Subtotal Homeland Security Grant			780,299	-
Passed through United Way:				
Emergency Food and Shelter National Board Program	97.024	Phase 34, ID# 0860000-008 (FFY 2015-16)	31,516	-
Total United States Department of Homeland Security			1,726,560	-
Total Expenditures of Federal Awards			\$ 236,178,835	\$ 28,141,097

See accompanying notes to the Schedule of Expenditures of Federal Awards

COUNTY OF SAN JOAQUIN, CALIFORNIA

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 1 – GENERAL

The accompanying schedule of expenditures of federal awards (Schedule) includes the federal award activity of the County of San Joaquin, California (County) under programs of the federal government for the year ended June 30, 2018. The information in this Schedule 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). Because the Schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net position, or cash flows of the County.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting for the governmental funds and the accrual basis of accounting for the proprietary funds. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in the prior year.

NOTE 3 – INDIRECT COST RATE

The County has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 4 – PASS-THROUGH ENTITIES' IDENTIFYING NUMBER

When federal awards were received from a pass-through entity, the Schedule shows, if available, the identifying number assigned by the pass-through entity. When no identifying number is shown, the County has determined that no identifying number is assigned for the program or the County was unable to obtain an identifying number from the pass-through entity.

NOTE 5 – CATALOG OF FEDERAL DOMESTIC ASSISTANCE (CFDA) NUMBERS

The CFDA numbers included in this report were determined based on the program name, review of grant contract information, and the Office of Management and Budget's Catalog of Federal Domestic Assistance.

NOTE 6 – AGING CLUSTER

The California Department of Aging considers other closely-related pass through programs by the State to be included with the Aging Cluster, in accordance with 2 *CFR* 200.12.

COUNTY OF SAN JOAQUIN, CALIFORNIA

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 7 – MEDICAID CLUSTER

Except for Medi-Cal administrative expenditures, Medicaid (Medi-Cal) and Medicare program expenditures are excluded from the Schedule. These expenditures represent fees for services; therefore, neither is considered a federal award program of the County for purposes of the Schedule or in determining major programs. The County assists the State of California (the State) in determining eligibility and provides Medi-Cal and Medicare services through County-owned health facilities.

Medi-Cal administrative expenditures are included in the Schedule as they do not represent fees for services.

NOTE 8 – OUTSTANDING LOANS OF FEDERAL FUNDS

The following schedule presents the amount of outstanding loans receivable by CFDA number. All loans with continuing compliance requirements are included on the accompanying Schedule. Loans outstanding at the beginning of the year and loans made during the year are included in the federal expenditures presented on the Schedule.

The balance of loans outstanding at June 30, 2018, consists of:

CFDA No.	Federal Program	Loans at June 30, 2018
14.218	Community Development Block Grants/Entitlement Grants	\$ 8,202,823
14.239	HOME Investment Partnerships Program	8,743,688
		<u>\$ 16,946,511</u>

COUNTY OF SAN JOAQUIN, CALIFORNIA

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

I. SUMMARY OF AUDITORS' RESULTS

FINANCIAL STATEMENTS

Type of report auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

Yes

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 auditors' report issued on compliance for major federal programs:

Unmodified for all major programs except for Department of Health and Human Services - Adoption Assistance Program and Medicaid Cluster, which both were qualified for Eligibility.

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

Yes

Identification of major federal programs:

<u>CFDA Numbers</u>	<u>Name of Federal Programs or Clusters</u>
11.307	Economic Development Cluster
93.778	Medicaid Cluster
93.558	TANF Cluster
93.658	Foster Care Title IV-E
93.659	Adoption Assistance

Dollar threshold used to distinguish between Type A and Type B programs:

\$ 3,000,000

Auditee qualified as low-risk auditee?

No

COUNTY OF SAN JOAQUIN, CALIFORNIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

II. FINANCIAL STATEMENT FINDINGS

Finding 2018-001

PROPERTY TAX ASSESSMENT VALUATION CHANGES

Criteria:

Internal controls should be established to ensure that reviews and approvals of property assessment valuation changes prepared by the County's appraisers are documented.

Condition Found:

Significant Deficiency – Evidence of management's review and approval of property assessment valuation changes initiated by the County appraisers was not documented or retained.

Context:

During our observation of the internal controls over the County's processes for recording property tax assessments valuation changes in the Assessor-Recorder's Office, we identified that there was no documented evidence of the review of the assessment valuation change by the supervising appraiser for property assessment valuation changes prepared by the County's appraisers. Through October 31, 2017, the assessment valuation changes were tracked and recorded through the Oasis system. In this system, there was no record of the supervising appraisers review on the retained assessment valuation change worksheets. Subsequent to this date, all assessment valuation changes were tracked and recorded through Megabyte. However, the record of the supervising appraisers review/approval was not retained within the electronic transaction records.

Cause:

The property assessment valuation change did not have evidence of management's review and approval.

Effect:

There is an increased risk of error or fraud if the property assessment valuation changes are not reviewed on a timely basis.

Recommendation:

This is a repeat finding from the FY 2017 audit.

We recommend that management implement policies and procedures to document and retain evidence of the supervising appraisers review and approval of the assessment valuation changes.

Views of Responsible Officials and Planned Corrective Actions:

See separate correction action plan.

COUNTY OF SAN JOAQUIN, CALIFORNIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

II. FINANCIAL STATEMENT FINDINGS

Finding 2018-002

PROPERTY TAX ROLL CORRECTIONS

Criteria:

Internal controls should be established to ensure that reviews and approvals of property tax roll corrections are documented.

Condition Found:

Significant Deficiency – Evidence of management's review and approval of property tax roll corrections initiated by County appraisers was not documented or retained.

Context:

During our observation of the internal controls over the County's processes for recording roll corrections to prior property tax rolls in the Assessor-Recorder's Office, we identified that for roll corrections initiated subsequent to October 31, 2017, the County's property tax system, The County did not retain record of the supervising appraisers review and approval of the roll correction within the electronic transaction records.

Cause:

The property tax roll correction did not have evidence of management's review and approval.

Effect:

There is an increased risk of error or fraud if the property tax roll corrections are not reviewed on a timely basis.

Recommendation:

We recommend that management implement policies and procedures to document and retain evidence of the supervising appraisers review and approval of the property tax roll corrections.

Views of Responsible Officials and Planned Corrective Actions:

See separate correction action plan.

COUNTY OF SAN JOAQUIN, CALIFORNIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

II. FINANCIAL STATEMENT FINDINGS

Finding 2018-003

**PROPERTY TAX ROLL CORRECTIONS INITIATED BY THE AUDITOR-CONTROLLER
PROPERTY TAX DIVISION**

Criteria:

Internal controls should be established to ensure segregation of duties between the preparation and approval functions over property tax roll corrections initiated by the Auditor-Controller Property Tax Division. Internal controls should also be established to ensure that reviews and approvals of property tax roll corrections are documented.

Condition Found:

Significant Deficiency – We identified that the initiation and approval of property tax roll corrections was not segregated, and there was no evidence of review by management prior to recording of the correction into the property tax system by the Auditor-Controller Property Tax Division.

Context:

During our observation of the internal controls over the County's processes for recording roll corrections to prior property tax rolls in the County's Auditor-Controller Property Tax Division, we identified that there is no segregation of ability to initiate and approve property tax roll corrections within the County's property tax system, Megabyte. We also observed that there was no documented evidence of review of these roll corrections by a supervisor or separate individual prior to the roll correction being processed.

Cause:

The property tax roll correction did not have evidence of management's review and approval.

Effect:

There is an increased risk of error or fraud if the critical functions over the property tax roll corrections are not properly segregated and that the property tax roll corrections are not reviewed on a timely basis.

Recommendation:

We recommend that management implement policies and procedures to ensure that roll corrections initiated by the Auditor-Controller Property Tax Division are reviewed by a supervisor or separate individual prior to being approved and processed.

Views of Responsible Officials and Planned Corrective Actions:

See separate correction action plan.

COUNTY OF SAN JOAQUIN, CALIFORNIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

II. FINANCIAL STATEMENT FINDINGS

Finding 2018-004

SEGREGATION OF INITIATION AND APPROVAL OF TREASURY DEPOSIT RECEIPTS

Criteria:

Internal controls should be established to ensure segregation of duties between the initiation and approval functions over Treasury Deposit Receipts (TDR's).

Condition Found:

Significant Deficiency – We identified three instances in which the TDR's were initiated and approved by the same individuals.

Context:

Through our observation of the internal controls over the County's process for recording and approving TDR's, we identified that there is no segregation of the ability to initiate and approve a TDR by the same individual in the treasury department.

Cause:

The TDR's were initiated and approved by the same individuals.

Effect:

There is an increased risk of error or fraud if the critical functions over the TDR process are not properly segregated.

Recommendation:

We recommend that management implement policies and procedures to segregate the initiation and approval of TDR's.

Views of Responsible Officials and Planned Corrective Actions:

See separate correction action plan.

COUNTY OF SAN JOAQUIN, CALIFORNIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

II. FINANCIAL STATEMENT FINDINGS

Finding 2018-005

APPROVAL OF TREASURY DEPOSIT RECEIPTS OUTSIDE OF TREASURY DEPARTMENT

Criteria:

Internal controls should be established to ensure Treasury Deposit Receipts (TDR's) are approved by authorized personnel.

Condition Found:

Significant Deficiency – We identified four instances in which the TDR's were approved by individuals outside of the Treasury Department.

Context:

Through our observation of the internal controls over the County's process for recording and approving TDR's, we identified instances in which TDR's were initiated and approved by individuals in departments outside of the Treasury Department. We identified three instances out of a sample of 40 in which the TDR's were initiated and approved by non-Treasury Department personnel. We also identified one instance in which a TDR was approved by the user 'SJAUDITOR', which is the username provided to VTD for inquiry-only access to the general ledger and Laserfiche.

Cause:

The TDR's were initiated and approved by personnel outside of the Treasury functions.

Effect:

There is an increased risk of error or fraud if the TDR's are not properly approved by authorized personnel.

Recommendation:

We recommend that management implement policies and procedures to restrict the ability to approve TDR's to appropriate personnel within the County Treasury Department.

Views of Responsible Officials and Planned Corrective Actions:

See separate correction action plan.

COUNTY OF SAN JOAQUIN, CALIFORNIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

II. FINANCIAL STATEMENT FINDINGS

Finding 2018-006

RECONCILIATION OF SOLID WASTE LANDFILL GATE REVENUES

Criteria:

Internal controls should be established to ensure that landfill gate revenue reconciliations are reviewed and approved on a timely basis.

Condition Found:

Significant Deficiency – We identified that there was no documentation of the individual which prepared the reconciliation of landfill gate revenues or evidence of review by management.

Context:

Through our observation of the internal controls over the revenue collections at the landfill gates and the deposits of these collections, we identified that a reconciliation is performed on a weekly basis for each month; however, there is no documented evidence of who performed the reconciliation or when the reconciliation was performed.

Cause:

The landfill gate revenue reconciliation did not have evidence of review by management.

Effect:

There is an increased risk of error or fraud if the revenue reconciliations are not reviewed by management.

Recommendation:

We recommend that management implement policies and procedures to document the individual performing the reconciliation, the date it was performed, and the review/approval of the reconciliation by a supervisor to ensure the reconciliation was performed on a timely basis.

Views of Responsible Officials and Planned Corrective Actions:

See separate correction action plan.

COUNTY OF SAN JOAQUIN, CALIFORNIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

II. FINANCIAL STATEMENT FINDINGS

Finding 2018-007

POSTING OF JOURNAL ENTRIES TO FINANCIAL ACCOUNTING SYSTEM

Criteria:

Internal controls should be established to ensure segregation of duties between the initiation and approval functions over journal entries.

Condition Found:

Significant Deficiency – We identified an instance in which a journal entry was initiated and approved by the same individual.

Context:

During our audit, we identified that the individuals in the Auditor-Controller's Office (ACO) have the ability to initiate and approve journal entries that are not subject to separate review by a separate individual prior to posting to the general ledger. We noted that this is limited to four individuals in the ACO.

Cause:

The journal entry process did not have proper segregation of duties.

Effect:

There is an increased risk of error or fraud if the journal entries are initiated and reviewed by separate individuals.

Recommendation:

We recommend that management implement policies and procedures within PeopleSoft to disallow an individual from creating, approving, and posting the same entry or implement a periodic review of these journal entries by a separate individual.

Views of Responsible Officials and Planned Corrective Actions:

See separate correction action plan.

COUNTY OF SAN JOAQUIN, CALIFORNIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

II. FINANCIAL STATEMENT FINDINGS

Finding 2018-008

TIMECARD APPROVALS

Criteria:

Internal controls should be established to ensure the approval of timecards on a timely basis.

Condition Found:

Significant Deficiency – We identified an instance in which no subsequent review of timecards were performed over timecards that were automatically approved by the payroll system.

Context:

During our inquiries with payroll personnel and observation of the payroll process, it was identified that timecards which have not been approved by designated Department Approvers on payroll processing periods ending on holidays are automatically approved by the payroll system. We observed that there is no subsequent documented review or approval of the timecards which were automatically approved by the payroll system by the designed Department Approvers.

Cause:

The timecard that was automatically approved by the payroll system did not have evidence of review by management.

Effect:

There is an increased risk of error or fraud if the system-approved timecards are not reviewed by management.

Recommendation:

We recommend that the County implement policies and procedures to perform and document the review and approval of timecards that were automatically approved by the payroll system.

Views of Responsible Officials and Planned Corrective Actions:

See separate correction action plan.

COUNTY OF SAN JOAQUIN, CALIFORNIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

II. FINANCIAL STATEMENT FINDINGS

Finding 2018-009

GENERAL HOSPITAL - TIMELY PREPARATION AND ISSUANCE OF THE ANNUAL FINANCIAL STATEMENTS

Criteria:

The Hospital should design and implement internal controls over the financial reporting process to ensure the following: (1) that the general ledger undergoes adequate procedures to ensure the proper application of fiscal year cut-off, (2) that the general ledger fiscal year period is closed and related financial statement supporting schedules are prepared and reconcile to the general ledger and (3) that the final trial balance figures are subject to sufficient management review so that balances are presented in accordance with generally accepted accounting principles (GAAP).

Condition:

Significant Deficiency - During our audit, we noted the Hospital's efforts to issue its financial statements within reasonable timelines after June 30 was difficult due to the delayed audit completion of the Hospital. We also note the Hospital was managing the implementation of a new general ledger and patient accounting system concurrent with the year-end audit. We also noted that the Hospital does not have adequate resources that oversee the financial reporting process to ensure the Hospital's financial accounting system is properly and timely closed, financial statements are properly prepared, and audits completed in a timely manner.

Context:

The Hospital did not take corrective measures to ensure the general ledger was closed in a timely manner, to facilitate a timely audit of its annual financial statements.

Cause:

The Hospital asserted that the cause of the delay in closing the fiscal year 2018 general ledger is due to the implementation of the new patient billing system. It was also observed during the course of our audit, that the Hospital's Finance Department was significantly understaffed, primarily as a result of retirements, attrition and the implementation of a new patient billing system. We noted the lack of resources caused the Hospital's audit to be delayed several months from the planned start date. We also noted during the course of the audit fieldwork, several key Hospital employees responsible for overseeing the financial reporting process retired.

Effect:

The condition described above resulted in the Hospital being unable to close the general ledger in a timely manner or prepare for a financial statement audit in a timely manner.

Recommendation:

We recommend the Hospital continue to implement policies and procedures to ensure its annual financial statements are issued timely. In addition, we recommend that the Hospital involve more personnel or resources to assist with the year-end audit.

COUNTY OF SAN JOAQUIN, CALIFORNIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

II. FINANCIAL STATEMENT FINDINGS

Views of Responsible Officials and Planned Corrective Actions:

See separate correction action plan.

Finding 2018-010

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (SEFA)

Criteria:

The auditee's responsibility per the *Uniform Guidance*, section 200.508 part b, is to "prepare appropriate financial statements, including the schedule of expenditures of Federal awards."

Condition Found:

Material Weakness – Our audit procedures identified material misstatements related to the Schedule of Expenditures of Federal Awards (Schedule), in that we noted expenditures were not reported correctly for three major programs (Temporary Assistance for Needy Families, Medicaid Cluster, and Foster Care) as follows:

- TANF Cluster (CFDA # 93.558): \$3,164,802 understatement
- Medicaid Cluster (CFDA# 93.778): \$28,216,026 understatement
- Foster Care (CFDA# 93.658): \$1,967,562 overstatement

The net effect of the misstatements was an understatement of \$29,413,266 to the Schedule.

Context:

During our procedures performed over the Schedule, we identified incorrectly reported expenditures for three major programs.

Effect:

The condition stated above resulted in the Schedule being materially misstated.

Cause:

The County did not establish adequate internal controls to ensure all federal program expenditures are identified and accurately reported on the Schedule.

Recommendation:

We recommend that the County implement policies and procedures to ensure all federal program expenditures are identified and accurately reported on the Schedule.

Views of Responsible Officials and Planned Corrective Actions:

See separate corrective action plan.

COUNTY OF SAN JOAQUIN, CALIFORNIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

III. FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

Finding 2018-011

Program: Medicaid Cluster – Medical Assistance Program, Medical Cluster – In-Home Supportive Services (IHSS)

CFDA No.: 93.778

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

Passed-through: California Department of Health Care Services

Award Year: 2017-2018

Compliance Requirement: Eligibility

Criteria:

Per the 2018 OMB Compliance Supplement, agencies are required to maintain documentation to support the agency's eligibility determination, and to redetermine eligibility at least every 12 months to determine if individuals continue to be eligible in accordance with the compliance requirements of the program. In addition, the State of California Department of Social Services (CDSS) regulations also state that County's social services staff are to have a face-to-face contact at least once every 12 months, except as provided in MPP section 30-761.215 through 30-761.217, to adequately determine that the recipient continues to reside safely in their home with the IHSS services provided (MPP Section 30-761.13).

Condition Found:

Material Weakness, Material Instance of Non-Compliance – Of the 40 case files sampled for each of the Medicaid Cluster Programs, we noted the following:

Medicaid Cluster – Medical Assistance Program

- 2 of 40 cases where the recipient eligibility redetermination was not performed timely (Exceeded the 12-month requirement).

Medicaid Cluster – In-Home Supportive Services (IHSS)

- 11 of 40 cases where the recipient eligibility redetermination was not performed timely (Exceeded the 12-month requirement).

Questioned Costs:

No questioned costs were identified as a result of our procedures.

Context:

Through inquiry and test-work of specific requirements related to eligibility, it was noted that redetermination was not performed on a timely basis.

Effect:

Lack of timely eligibility redeterminations resulted in noncompliance with the requirements of the federal program.

COUNTY OF SAN JOAQUIN, CALIFORNIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

III. FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

Cause:

The County did not ensure that the eligibility redeterminations were performed on a timely basis.

Recommendation:

We recommend the County implement policies and procedures to ensure eligibility redeterminations are performed on a timely basis.

Views of Responsible Officials and Planned Corrective Actions:

See separate corrective action plan.

Finding 2018-012

Program: Temporary Assistance for Needy Families (TANF Cluster)

CFDA No.: 93.558

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

Passed-through: California Department of Social Services

Award Year: 2017-2018

Compliance Requirement: Allowable Costs/Cost Principles/Eligibility

Criteria:

The *2018 OMB Compliance Supplement* requires that the County determine the allowable costs and activities as defined in the Uniform Guidance in 2 CFR Part 200, and 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 redeterminations.

Condition Found:

Significant Deficiency, Instances of Non-Compliance – As a result of our test work, we noted the following:

- 1 case out of 60 was missing required initial application documentation in case file
- 5 cases out of 60 were determined to be State eligible, but were receiving Federal monies from their participation in the CalWORKs Summer Youth Employment Training Program (SYETP).

Questioned Costs:

We noted known questioned costs of \$9,300.

Context:

Through inquiry and test-work of specific requirements related to eligibility, it was noted that the program file was not properly maintained and eligibility was not performed in accordance with the *OMB Compliance Supplement*.

COUNTY OF SAN JOAQUIN, CALIFORNIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

III. FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

Effect:

Case data may not accurately reflect the eligibility status of TANF recipients thus increasing the risk of noncompliance with the requirements of the State plan.

Cause:

The County did not follow its policies and procedures to ensure the eligibility case files contain documentation to support eligibility.

Recommendation:

We recommend that the County implement policies and procedures to ensure that program files are properly maintained, and that eligibility determinations are properly performed.

Views of Responsible Officials and Planned Corrective Actions:

See separate corrective action plan.

Finding 2018-013

Program: Temporary Assistance for Needy Families (TANF Cluster)

CFDA No.: 93.558

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

Passed-through: California Department of Social Services

Award Year: 2017-2018

Compliance Requirement: Subrecipient Monitoring

Criteria:

Per the 2018 OMB Compliance Supplement and Title 2 CFR Section 200.331(a) of the Uniform Guidance, the pass-through entity must identify the award and applicable requirements to the subrecipient with certain information as well as all the requirements imposed by the pass-through entity on the subrecipient so that the Federal award is used in accordance with Federal statutes, regulations, and the terms and conditions of the award. Also, per Title 2 CFR Section 200.331(d) of the Uniform Guidance, the pass-through entity must monitor the activities of the subrecipient as necessary to ensure that the subaward is used for authorized purposes, in compliance with Federal statutes, regulations, and the terms and conditions of the subaward; and that subaward performance goals are achieved

Condition Found:

Significant Deficiency, Instances of Non-Compliance – We noted four of four subawards tested where the County did not identify all of the required elements of the subaward in accordance with 2 CFR 200.331(a) of the *Uniform Grant Guidance*, including the subrecipient's Data Universal Numbering System (DUNS) number and the Federal Award Identification Number (FAIN). The four subawards sampled were all awarded to subrecipients prior to March 2018, which was when the finding was communicated to the County in FY 2016/2017 single audit. We also noted three of the four subawards where the County did not perform subrecipient monitoring in accordance with 2 CFR 200.33(d) of the Uniform Guidance.

COUNTY OF SAN JOAQUIN, CALIFORNIA

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

III. FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

Questioned Costs:

No questioned costs were identified as a result of our procedures.

Context:

The condition noted above was identified during our testing over subrecipient monitoring requirements of the program. The amount passed-through to the subaward tested was \$4,608,012.

Effect:

The County did not identify the required elements of the subaward to the subrecipient nor perform the annual monitoring of their subrecipients which increases the likelihood of noncompliance in relation to the program.

Cause:

The County did not ensure that the subawards contained all the required elements pursuant to 2 CFR 200.331(a)(1), and that subrecipient monitoring was not performed due to staff turnover.

Recommendation:

This is a repeat condition from the June 30, 2017 Single Audit, reported as a finding number 2017-007.

We recommend that the County prepare subaward agreements that contain all of the required elements as specified in 2 CFR 200.331(a)(1), and implement policies and procedures to ensure subrecipient monitoring is performed on a timely basis.

Views of Responsible Officials and Planned Corrective Actions:

See separate corrective action plan.

Finding 2018-014

Program: Temporary Assistance for Needy Families (TANF Cluster)

CFDA No.: 93.558

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

Passed-through: California Department of Social Services

Award Year: 2017-2018

Compliance Requirement: Special Tests and Provisions – Child Support Non-Cooperation

Criteria:

The *2018 OMB Compliance Supplement* requires that the County determine special tests and provisions in accordance with the specific requirements defined in the approved State plan. These requirements include the maintenance of documentation necessary to support Child Support Non-Cooperation requirement.

COUNTY OF SAN JOAQUIN, CALIFORNIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

III. FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

Condition Found:

Significant Deficiency, Instances of Non-Compliance – During our special tests and provisions testing of 60 TANF cases; we noted that two cases were missing the required CW 2.1Q Support Questionnaire under the Child Support Non-Cooperation requirement of the Special Tests and Provisions compliance requirements.

Questioned Costs:

No questioned costs were identified as a result of our procedures.

Context:

Through inquiry and test-work of specific requirements related to Special Tests and Provisions, it was noted that the required questionnaire was not properly maintained in accordance with the OMB Compliance Supplement.

Effect:

Case data may not accurately reflect the status of the Child Support Non-Cooperation requirement of TANF recipients thus increasing the risk of noncompliance with the requirements of the State plan.

Cause:

The County did not ensure the case files contain the required questionnaire to comply with the Special Tests and Provisions requirements.

Recommendation:

We recommend that the County implement policies and procedures to ensure that the required questionnaire is properly documented.

Views of Responsible Officials and Planned Corrective Actions:

See separate corrective action plan.

Finding 2018-015

Program: Adoption Assistance

CFDA No.: 93.659

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

Passed-through: California Department of Social Services

Award Year: 2017-2018

Compliance Requirement: Eligibility

COUNTY OF SAN JOAQUIN, CALIFORNIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

III. FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

Criteria:

The *2018 OMB 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.

Condition Found:

Material Weakness, Material Instances of Non-Compliance – During our eligibility testing of 60 Adoption Assistance case files, we noted that:

- 6 case files were missing the AAP3 form that documents federal eligibility.
- 1 case file that received Federal Assistance payments for 3 months, but were deemed ineligible.

We also noted the County continues to have case files that do not have all the required documentation to determine federal eligibility under the Adoption Assistance program guidelines. This primarily pertains to case files that predate FY 2014.

Questioned Costs:

We noted known question costs of \$79,110.

Context:

Through inquiry and test-work of specific requirements related to eligibility, it was noted that the Adoption Assistance program's files were not properly maintained in accordance with the *OMB Compliance Supplement*.

Effect:

Case data may not accurately reflect the eligibility status of Adoption Assistance recipients thus increasing the risk of noncompliance with the requirements of the State plan.

Cause:

The condition is caused by the County not following its policies and procedures to ensure the eligibility case files contain documentation to support eligibility.

Recommendation:

This is a repeat condition from the June 30, 2017 Single Audit, reported as finding number 2017-008.

We recommend that the County implement policies and procedures to ensure that documentation required to support eligibility is properly maintained in the files, judicial determination is properly documented, and rates paid agree to the state rates. We also recommend the County ensure eligibility files that predate FY 2014 to include all required documentation to support the federal eligibility determination.

Views of Responsible Officials and Planned Corrective Actions:

See separate corrective action plan.

COUNTY OF SAN JOAQUIN, CALIFORNIA

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Summarized below is the current status of all audit findings reported in the prior year audit's schedule of audit findings and questioned costs.

Finding No.	Program Name/Description	CFDA No.	Compliance Requirement	Status of Corrective Action
2017-001	Property Tax Appraisals	N/A	N/A	Not Implemented – See Finding 2018-001 The County implemented a new property tax system, Megabyte, in December 2017; however, the new system did not retain records of supervising appraisers' reviews. See County's Separate Summary Schedule of Prior Audit Findings for Status of Corrective Action (Finding 2017-001).
2017-002	Workers' Compensation Claims	N/A	N/A	Implemented
2017-003	General Hospital – Third Party Settlement	N/A	N/A	Implemented
2017-004	WIA/WIOA Cluster	17.258, 17.259 & 17.278	Earmarking	Implemented
2017-005	WIA/WIOA Cluster	17.258, 17.259 & 17.278	Reporting	Implemented
2017-006	WIA/WIOA Cluster	17.258, 17.259 & 17.278	Subrecipient Monitoring	Implemented

COUNTY OF SAN JOAQUIN, CALIFORNIA

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Finding No.	Program Name/Description	CFDA No.	Compliance Requirement	Status of Corrective Action
2017-007	Temporary Assistance for Needy Families (TANF Cluster)	93.558	Subrecipient Monitoring	<p>Not Implemented See Finding 2018-013</p> <p>The County incorporated the federal required elements to FY 2018/2019 agreements but not the FY 2017/2018 agreements as the County did not award any subaward contracts subsequent to March 2018 when the FY 2016/2017 subrecipient monitoring finding was communicated to the County.</p> <p>See County's Separate Summary Schedule of Prior Audit Findings for Status of Corrective Action (Finding 2017-007).</p>
2017-008	Adoption Assistance	93.659	Eligibility	<p>Not Implemented -- See Finding 2018-015</p> <p>We tested one case file that was prior to the County's FY 2014 Corrective Action Plan with the State audit and noted that the FC8 form was missing as of FY 2018.</p> <p>See County's Separate Summary Schedule of Prior Audit Findings for Status of Corrective Action (Finding 2017-008).</p>

COUNTY OF SAN JOAQUIN, CALIFORNIA

**SUPPLEMENTAL SCHEDULE OF OFFICE OF CALIFORNIA
STATE DEPARTMENT OF AGING
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Federal Program Title	CFDA	Contract No.	Federal Expenditures	State Expenditures
Senior Farmers Market Nutrition Program	10.576	2016	\$ 10,020	\$ -
Senior Community Service Employment Program - Title V	17.235	TV-1718-11	116,543	-
Special Programs for the Aging - Title VII, Chapter 3 (VII-B) Programs for Prevention of Elder Abuse, Neglect, and Exploitation	93.041	AP-1718-11	5,814	-
Special Programs for the Aging - Title VII, Chapter 2 (VII-A) Long Term Care Ombudsman Services for Older Individuals	93.042	AP-1718-11	32,802	-
Special Programs for the Aging - Title III, Part D Disease Prevention and Health Promotion Services	93.043	AP-1718-11	38,301	-
Special Programs for the Aging - Title III, Part B Grants for Supportive Services and Senior Centers	93.044	AP-1718-11	667,671	3,828
Special Programs for the Aging - Title III, Part C Nutrition Services	93.045	AP-1718-11	1,045,655	15,213
Special Programs for the Aging - Title III, Part E National Family Caregiver Support	93.052	AP-1718-11	284,793	-
Nutrition Services Incentive Program	93.053	AP-1718-11	159,806	-
Public Health L&C Program Fund		AP-1718-11	-	6,125
State Health Facilities Citation Penalties Account		AP-1718-11	-	47,628
Community Based Services Program/SNF Quality & Accountability		AP-1718-11	-	29,094
			<u>\$ 2,351,385</u>	<u>\$ 224,896</u>

COUNTY OF SAN JOAQUIN, CALIFORNIA

**SUPPLEMENTAL SCHEDULE OF CALIFORNIA DEPARTMENT
OF COMMUNITY SERVICES AND DEVELOPMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

SAN JOAQUIN COUNTY DEPARTMENT OF AGING AND COMMUNITY SERVICES
SUPPLEMENTAL STATEMENT OF REVENUE AND EXPENDITURES (SSRE)
CSD CONTRACT NO. 16B-4034 (EHA16)
CONTRACT PERIOD JANUARY 1, 2016 THROUGH SEPTEMBER 30, 2017

	January 1, 2016 through June 30, 2016	July 1, 2016 through June 30, 2017	July 1, 2017 through September 30, 2017	Total Audited Costs	Total Reported Expenses	Total Budget
REVENUE						
Grant Revenue	\$73,803	\$616,549	\$6,027	\$696,379		\$696,379
Interest Income	\$0	\$0	\$0	\$0		
Other Income	\$0	\$0	\$0	\$0		
Other Income-County General Fund Support	\$7,441	\$26,553	\$7,138	\$41,132		
Accrued Grant Revenue	\$160,751	(\$156,154)	(\$4,597)	\$0		
Deferred Revenue Earned	\$0	\$0	\$0	\$0		
Deferred Grant Revenue	\$0	\$0	\$0	\$0		
Total Revenue:	\$241,995	\$486,948	\$8,568	\$737,511		\$696,379
EXPENDITURES						
Assurance 16 Costs						
Assurance 16 Costs	\$80,704	\$180,909	\$2,317	\$263,930	\$227,619	\$227,619
Administrative Costs						
Administrative Costs	\$28,553	\$61,669	\$871	\$91,093	\$90,222	\$90,222
Administrative Equipment (More than \$5,000)	\$0	\$0	\$0	\$0	\$0	\$0
Out-of-State Travel	\$0	\$0	\$0	\$0	\$0	\$0
Total A-16/Administration Costs:	\$109,257	\$242,578	\$3,188	\$355,023	\$317,841	\$317,841
Program Support Costs						
Intake	\$76,065	\$139,378	\$0	\$215,443	\$215,443	\$215,443
Outreach	\$24,810	\$38,709	\$0	\$63,519	\$63,519	\$63,519
Training & Technical Assistance	\$2,052	\$3,797	\$0	\$5,849	\$5,849	\$5,850
Out-of-State Travel	\$1,729	\$0	\$0	\$1,729	\$1,729	\$1,729
Major Vehicle & Equipment (More than \$5,000)	\$0	\$0	\$0	\$0	\$0	\$0
Minor Vehicle & Equipment (Less than \$5,000)	\$0	\$0	\$0	\$0	\$0	\$0
General Operating Expenditures	\$17,872	\$37,942	\$5,174	\$60,988	\$57,244	\$57,242
Automation Supplemental	\$2,210	\$14,720	\$206	\$17,136	\$16,930	\$16,930
Total Program Support Costs:	\$124,738	\$234,546	\$5,380	\$364,664	\$360,714	\$360,713
Program Services Costs						
ECIP Emergency Heating & Cooling Services (EHCS)	\$0	\$0	\$0	\$0	\$0	\$0
Severe Weather Energy Assist. & Trans. Svcs (SWEATS)	\$0	\$3,824	\$0	\$3,824	\$3,824	\$3,825
Wood, Propane, and Oil (ECIP & HEAP WPO)	\$8,000	\$6,000	\$0	\$14,000	\$14,000	\$14,000
Total Program Services Costs:	\$8,000	\$9,824	\$0	\$17,824	\$17,824	\$17,825
Total Expenses:	\$241,995	\$486,948	\$8,568	\$737,511	\$696,379	\$696,379

COUNTY OF SAN JOAQUIN, CALIFORNIA

**SUPPLEMENTAL SCHEDULE OF CALIFORNIA DEPARTMENT
OF COMMUNITY SERVICES AND DEVELOPMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

SAN JOAQUIN COUNTY DEPARTMENT OF AGING AND COMMUNITY SERVICES
SUPPLEMENTAL STATEMENT OF REVENUE AND EXPENDITURES (SSRE)

CSD CONTRACT NO. 17F-2038 (CSBG)

CONTRACT PERIOD JANUARY 1, 2017 THROUGH JUNE 30, 2018

	January 1, 2017 through June 30, 2017	July 1, 2017 through December 31, 2017	January 1, 2018 through June 30, 2018	Total Audited Costs	Total Reported Expenses	Total Budget
REVENUE						
Grant Revenue	\$323,447	\$480,969	\$165,925	\$970,341		\$970,341
Interest Income	\$0			\$0		
Accrued Grant Revenue	\$157,662	\$8,263	(\$165,925)	\$0		
Deferred Revenue Earned	\$0			\$0		
Other Income	\$0			\$0		
Other Income-County General Fund Support	\$85,069	\$196,331	\$0	\$281,400		
Total Revenue:	\$566,178	\$685,563	(\$0)	\$1,251,741		\$970,341
EXPENDITURES						
Administrative Costs						
Salaries & Wages	\$23,022	\$27,609		\$50,631	\$44,397	\$44,397
Fringe Benefits	\$21,617	\$22,055		\$43,672	\$38,677	\$38,677
Operating Expenses	\$9,359	\$818		\$10,177	\$9,916	\$9,916
Equipment	\$0	\$0		\$0	\$0	\$0
Out-of-State Travel	\$0	\$0		\$0	\$0	\$0
Contract/Consultant Services	\$0	\$0		\$0	\$0	\$0
Other Costs	\$16,164	\$23,684		\$39,848	\$28,220	\$28,220
Total Administrative Costs:	\$70,162	\$74,166	\$0	\$144,328	\$121,210	\$121,210
Program Costs						
Salaries & Wages	\$206,098	\$274,690		\$480,788	\$402,198	\$402,198
Fringe Benefits	\$148,362	\$169,895		\$318,257	\$272,159	\$272,159
Operating Expenses	\$136,195	\$165,555		\$301,750	\$169,414	\$169,414
Equipment	\$0	\$0		\$0	\$0	\$0
Out-of-State Travel	\$0	\$0		\$0	\$0	\$0
Subcontractor/Consultant Services	\$0	\$0		\$0	\$0	\$0
Other Costs	\$5,361	\$1,257		\$6,618	\$5,360	\$5,360
Total Program Costs:	\$496,016	\$611,397	\$0	\$1,107,413	\$849,131	\$849,131
Total Expenses:	\$566,178	\$685,563	\$0	\$1,251,741	\$970,341	\$970,341

COUNTY OF SAN JOAQUIN, CALIFORNIA

**SUPPLEMENTAL SCHEDULE OF CALIFORNIA DEPARTMENT
OF COMMUNITY SERVICES AND DEVELOPMENT (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

SAN JOAQUIN COUNTY DEPARTMENT OF AGING AND COMMUNITY SERVICES
SUPPLEMENTAL STATEMENT OF REVENUE AND EXPENDITURES (SSRE)
CSD CONTRACT NO. 17B-3034 (EHA16)
CONTRACT PERIOD OCTOBER 1, 2016 THROUGH JUNE 30, 2018

	October 1, 2016 through June 30, 2017	July 1, 2017 through June 30, 2018	Total Audited Costs	Total Reported Expenses	Total Budget
REVENUE					
Grant Revenue	\$298,002	\$490,187	\$788,189		\$795,098
Interest Income	\$0	\$0	\$0		
Other Income	\$0	\$0	\$0		
Other Income-County General Fund Support	(\$218)	\$17,677	\$17,459		
Accrued Grant Revenue	\$16,692	(\$9,783)	\$6,909		
Deferred Revenue Earned	\$0	\$0	\$0		
Deferred Grant Revenue	\$0	\$0	\$0		
Total Revenue:	\$314,476	\$498,081	\$812,557		\$795,098
EXPENDITURES					
Assurance 16 Costs					
Assurance 16 Costs	\$107,695	\$135,438	\$243,133	\$240,928	\$240,928
Administrative Costs					
Administrative Costs	\$84,543	\$167,216	\$251,759	\$246,258	\$246,258
Administrative Equipment (More than \$5,000)	\$0	\$0	\$0	\$0	\$0
Out-of-State Travel	\$0	\$0	\$0	\$0	\$0
Total A-16/Administration Costs:	\$84,543	\$167,216	\$251,759	\$246,258	\$246,258
Program Support Costs					
Intake	\$84,555	\$126,159	\$210,714	\$204,533	\$204,533
Outreach	\$13,769	\$13,234	\$27,003	\$25,106	\$25,106
Training & Technical Assistance	\$2,023	\$2,426	\$4,449	\$4,448	\$4,448
Out-of-State Travel	\$0	\$0	\$0	\$0	\$0
Major Vehicle & Equipment (More than \$5,000)	\$0	\$0	\$0	\$0	\$0
Minor Vehicle & Equipment (Less than \$5,000)	\$0	\$0	\$0	\$0	\$0
Liability Insurance	\$0	\$1,182	\$1,182	\$1,182	\$0
General Operating Expenditures	\$2,893	\$6,254	\$9,147	\$8,752	\$12,943
Automation Supplemental	\$7,726	\$14,227	\$21,953	\$20,615	\$20,614
Total Program Support Costs:	\$110,966	\$163,482	\$274,448	\$264,636	\$267,644
Program Services Costs					
ECIP Emergency Heating & Cooling Services (EHCS)	\$513	\$23,915	\$24,428	\$24,487	\$26,009
Severe Weather Energy Assist. & Trans. Svcs (SWEATS)	\$259	\$0	\$259	\$259	\$259
Wood, Propane, and Oil (ECIP & HEAP WPO)	\$10,500	\$3,500	\$14,000	\$14,000	\$14,000
Other Program Costs (Workers Comp & Program Mgmt & Support)	\$0	\$4,530	\$4,530	\$4,530	\$0
Total Program Services Costs:	\$11,272	\$31,945	\$43,217	\$43,276	\$40,268
Total Expenses:	\$314,476	\$498,081	\$812,557	\$795,098	\$795,098



JEROME C. WILVERDING
AUDITOR-CONTROLLER
SAN JOAQUIN COUNTY



ASSISTANT AUDITOR-CONTROLLER
Jeffery M. Woltkamp, CPA

CHIEF DEPUTIES
Tod Hill – Accounting
Janice McCutcheon, CPA – Internal Audit
Stanley Lawrence – Property Tax

PAYROLL ADMINISTRATOR
Lori Roller

COUNTY OF SAN JOAQUIN, CALIFORNIA

Corrective Action Plan

Year ended June 30, 2018

Compiled by: Jeffery Woltkamp, Assistant Auditor-Controller

COUNTY OF SAN JOAQUIN, CALIFORNIA

Corrective Action Plan
Year ended June 30, 2018

I. FINANCIAL STATEMENT FINDINGS

Finding 2018-001

PROPERTY TAX ASSESSMENT VALUATION CHANGES

Management's or Department's Response:

We concur.

Views of Responsible Officials and Corrective Action:

In December 2017, the Assessor-Recorder-County Clerk's office went live in a new property tax system, the Megabyte Property Tax System. Currently, Megabyte is unable to DTS (date, time, stamp) this level of review, as the system only tracks the appraiser's changes. The department is using Megabyte's internal paper worksheets to document supervisors' reviews of assessment valuation changes and will be retaining these worksheets in Laserfiche, the County's document management system. The department will be exploring using "Notes" fields or "live" worksheets (working documents) in Laserfiche to further aid in efficiently capturing and retaining this information as well.

Name of Responsible Person: Karyn Johnson, Assistant Assessor-Recorder-County Clerk

Name of Department Contact: Karyn Johnson, Assistant Assessor-Recorder-County Clerk

Projected Implementation Date: December 2018

COUNTY OF SAN JOAQUIN, CALIFORNIA

Corrective Action Plan
Year ended June 30, 2018

Finding 2018-002

PROPERTY TAX ROLL CORRECTIONS

Management's or Department's Response:

We concur.

Views of Responsible Officials and Corrective Action:

In December 2017, the Assessor-Recorder-County Clerk's office went live in a new property tax system, the Megabyte Property Tax System. Currently, Megabyte is unable to DTS (date, time, stamp) this level of review, as the system only tracks the appraiser's changes. The department has created new worksheets to document supervisors' reviews of roll corrections and will be retaining these worksheets in Laserfiche, the County's document management system. The department will be exploring using "live" worksheets (working documents) in Laserfiche to further aid in efficiently capturing and retaining this information as well.

Name of Responsible Person: Karyn Johnson, Assistant Assessor-Recorder-County Clerk

Name of Department Contact: Karyn Johnson, Assistant Assessor-Recorder-County Clerk

Projected Implementation Date: December 2018

COUNTY OF SAN JOAQUIN, CALIFORNIA

Corrective Action Plan
Year ended June 30, 2018

Finding 2018-003

**PROPERTY TAX ROLL CORRECTIONS INITIATED BY THE AUDITOR-CONTROLLER
PROPERTY TAX DIVISION**

Management's or Department's Response:

We concur.

Views of Responsible Officials and Corrective Action:

The finding originates from a program limitation in the Megabyte system. The County is working with Megabyte Property Tax Systems to help implement program procedures to document auditor roll corrections as reviewed by another user prior to being approved and processed.

Name of Responsible Person: Jeffery Woltkamp , Assistant Auditor Controller

Name of Department Contact: Jeffery Woltkamp, Assistant Auditor Controller

Projected Implementation Date: December 2018

COUNTY OF SAN JOAQUIN, CALIFORNIA

Corrective Action Plan
Year ended June 30, 2018

Finding 2018-004

SEGREGATION OF INITIATION AND APPROVAL OF TREASURY DEPOSIT RECEIPTS

Management's or Department's Response:

We concur.

Views of Responsible Officials and Corrective Action:

The Treasurer-Tax Collector acknowledges this observation. Recording of the deposit receipt entry and approval of the entry are segregated for all depositors with the exception of the Solid Waste Division due to the absence of county network connectivity and CAPS at the landfill sites. Although the deposit entry for the Solid Waste Division is performed by the Treasury staff, any misappropriation or differences will be detected by either the Treasury or the Solid Waste Division due to the discrepancy in the deposit. Fund activity reports are made available each month to all departments by the Auditor-Controller's Office and should be reconciled to internal records.

Although deposits from the Solid Waste Division, on the average, represent less than one percent of total deposits processed through the treasury, we recognize the importance of protecting all funds. Therefore, we are continuing to explore possible solutions or workarounds to allow the Solid Waste Division to initiate their own deposit entries in PeopleSoft.

Name of Responsible Person: Mandy Matta, Chief Deputy Treasurer

Name of Department Contact: Mandy Matta, Chief Deputy Treasurer

Projected Implementation Date: December 2018

COUNTY OF SAN JOAQUIN, CALIFORNIA

Corrective Action Plan
Year ended June 30, 2018

Finding 2018-005

APPROVAL OF TREASURY DEPOSIT RECEIPTS OUTSIDE OF TREASURY DEPARTMENT

Management's or Department's Response:

We concur.

Views of Responsible Officials and Corrective Action:

The County agrees with the finding and is working with the County Information Systems Division to ensure user roles and security are enforced.

Name of Responsible Person: Jeffery Woltkamp, Assistant Auditor Controller

Name of Department Contact: Jeffery Woltkamp, Assistant Auditor Controller

Projected Implementation Date: December 2018

COUNTY OF SAN JOAQUIN, CALIFORNIA

Corrective Action Plan
Year ended June 30, 2018

Finding 2018-006

RECONCILIATION OF SOLID WASTE LANDFILL GATE REVENUES

Management's or Department's Response:

We concur.

Views of Responsible Officials and Corrective Action:

The County agrees with the finding and has implemented process changes. The Accounting Technician I reconciles the deposits on a daily basis. Moving forward, the Accountant II will review and approve the accounting technician's reconciliation on a monthly basis. Both their names and the dates reconciled, reviewed and approved will be added to the reconciliation spreadsheets.

Name of Responsible Person: Jeffery Woltkamp, Assistant Auditor Controller

Name of Department Contact: Jeffery Woltkamp, Assistant Auditor Controller

Projected Implementation Date: December 2018

COUNTY OF SAN JOAQUIN, CALIFORNIA

Corrective Action Plan
Year ended June 30, 2018

Finding 2018-007

POSTING OF JOURNAL ENTRIES BY ACO TO PEOPLESOFT

Management's or Department's Response:

We concur.

Views of Responsible Officials and Corrective Action:

The County agrees with the finding and although these 4 individuals have the ability to initiate and approve the same journal entry, the frequency of such entries is limited. In May 2018, County departments began initiating journal entries directly into the PeopleSoft system, thus limiting the need for Auditor-Controller staff to initiate and approve the same journal entry. Any journal entries that require initiation by Auditor-Controller staff will be reviewed by a separate individual.

Name of Responsible Person: Jeffery Woltkamp, Assistant Auditor Controller

Name of Department Contact: Jeffery Woltkamp, Assistant Auditor Controller

Projected Implementation Date: May 2018

COUNTY OF SAN JOAQUIN, CALIFORNIA

Corrective Action Plan
Year ended June 30, 2018

Finding 2018-008

TIMECARD APPROVALS

Management's or Department's Response:

We concur.

Views of Responsible Officials and Corrective Action:

Effective September 1st, 2018, San Joaquin County no longer uses automatic approval. All departments are required to approve their employees in the PeopleSoft system. We continue to require signed documentation for any employees that need to approval by the Auditor's Payroll Department due to the absence of an authorized department approver.

Name of Responsible Person: Jeffery Woltkamp, Assistant Auditor Controller

Name of Department Contact: Jeffery Woltkamp, Assistant Auditor Controller

Projected Implementation Date: September 2018

COUNTY OF SAN JOAQUIN, CALIFORNIA

Corrective Action Plan
Year ended June 30, 2018

Finding 2018-009

GENERAL HOSPITAL - TIMELY PREPARATION AND ISSUANCE OF THE ANNUAL FINANCIAL STATEMENTS

Management's or Department's Response:

We concur.

Views of Responsible Officials and Corrective Action:

With respect to the auditor's comments regarding implementation of new information system, and adequate or lack of resources in the San Joaquin General Hospital (SJGH) Finance Department, SJGH Senior Management has taken the following actions:

- San Joaquin County (The County) and SJGH Senior Management has invested significant resources in the implementation of the new information system. Specifically, revenue cycle, materials management and information technology and progress has been made. The County and SJGH Senior Management are considering additional investments with respect revenue cycle and materials management.
- Hired an Interim CFO in mid-October and an Interim CFO for ambulatory services in late December.
- Reorganized department and promoted two to supervisors to oversee reimbursement and accounting in late December early January. Toyon Associates is contracted to provide reimbursement services and will train the newly promoted reimbursement analyst. Training is expected to take several months to complete.
- Due to a recent vacancy, recruitment is underway for a new Deputy Director of Finance with responsibility for accounting and reporting and is expected to take six months. As an interim measure, the Interim CFO has assumed their responsibilities. Specific tasks include developing a draft FY 19-20 Budget and the monthly close.
- In mid-October, the Interim CFO and prior Deputy Director set a goal to timely close the month and December's financials were completed in late January.
- In January, the Interim CFO and newly appointed Accounting Manager have revised the goal to close the books in fifteen days. A detailed schedule is being prepared to be reviewed and implemented.
- In late December, the Interim CFO for ambulatory services was tasked with developing and implementing a plan to address accounting and reporting, reimbursement and revenue cycle issues.
- Hired a full time CFO beginning February 19, 2019.

Name of Responsible Person: Mark Smith, Interim Chief Financial Officer

Name of Department Contact: Mark Smith, Interim Chief Financial Officer

Projected Implementation Date: February 2019

COUNTY OF SAN JOAQUIN, CALIFORNIA

Corrective Action Plan
Year ended June 30, 2018

Finding 2018-010

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (SEFA)

Management's or Department's Response:

We concur.

Views of Responsible Officials and Corrective Action:

The County has established controls to ensure all federal program expenditures are identified and accurate reported on the SEFA.

Name of Responsible Person: Sam Kaisch, Deputy Director of Human Services Agency

Name of Department Contact: Sam Kaisch, Deputy Director of Human Services Agency

Projected Implementation Date: N/A

COUNTY OF SAN JOAQUIN, CALIFORNIA

Corrective Action Plan
Year ended June 30, 2018

II. FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

Finding 2018-011

Program: Medicaid Cluster – Medical Assistance Program, Medical Cluster – In-Home Supportive Services (IHSS)

CFDA No.: 93.778

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

Passed-through: California Department of Health Care Services

Award Year: 2017-2018

Compliance Requirement: Eligibility

Management's or Department's Response:

We concur.

Views of Responsible Officials and Corrective Action:

The County will ensure timely eligibility redeterminations are completed at least every 12 months to maintain compliance with program requirements.

Name of Responsible Person: Sam Kaisch, Deputy Director of Human Services Agency

Name of Department Contact: Sam Kaisch, Deputy Director of Human Services Agency

Projected Implementation Date: March 2019

COUNTY OF SAN JOAQUIN, CALIFORNIA

Corrective Action Plan
Year ended June 30, 2018

Finding 2018-012

Program: Temporary Assistance for Needy Families (TANF Cluster)

CFDA No.: 93.558

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

Passed-through: California Department of Social Services

Award Year: 2017-2018

Compliance Requirement: Allowable Costs/Cost Principles/Eligibility

Management's or Department's Response:

We concur.

Views of Responsible Officials and Corrective Action:

The County will follow policies and procedures to ensure payments are made for only eligible recipients. The County will also follow policies and procedures to ensure program files are properly maintained and that eligibility determinations are properly performed.

Name of Responsible Person: Sam Kaisch, Deputy Director of Human Services Agency

Name of Department Contact: Sam Kaisch, Deputy Director of Human Services Agency

Projected Implementation Date: March 2019

COUNTY OF SAN JOAQUIN, CALIFORNIA

Corrective Action Plan
Year ended June 30, 2018

Finding 2018-013

Program: Temporary Assistance for Needy Families (TANF Cluster)

CFDA No.: 93.558

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

Passed-through: California Department of Social Services

Award Year: 2017-2018

Compliance Requirement: Subrecipient Monitoring

Management's or Department's Response:

We concur.

Views of Responsible Officials and Corrective Action:

The County will establish procedures to ensure that subawards contain all required elements pursuant to 2 CFR 200.331(a)(1). The County will also implement policies and procedures and perform annual monitoring of subrecipients in accordance with 2 CFR 200.331(d).

Name of Responsible Person: Sam Kaisch, Deputy Director of Human Services Agency

Name of Department Contact: Sam Kaisch, Deputy Director of Human Services Agency

Projected Implementation Date: March 2019

COUNTY OF SAN JOAQUIN, CALIFORNIA

Corrective Action Plan
Year ended June 30, 2018

Finding 2018-014

Program: Temporary Assistance for Needy Families (TANF Cluster)

CFDA No.: 93.558

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

Passed-through: California Department of Social Services

Award Year: 2017-2018

Compliance Requirement: Special Tests and Provisions – Child Support Non-Cooperation

Management's or Department's Response:

We concur.

Views of Responsible Officials and Corrective Action:

The County will implement policies and procedures to ensure that the required questionnaire is properly documented in case files.

Name of Responsible Person: Sam Kaisch, Deputy Director of Human Services Agency

Name of Department Contact: Sam Kaisch, Deputy Director of Human Services Agency

Projected Implementation Date: March 2019

COUNTY OF SAN JOAQUIN, CALIFORNIA

Corrective Action Plan
Year ended June 30, 2018

Finding 2018-015

Program: Adoption Assistance

CFDA No.: 93.659

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

Passed-through: California Department of Social Services

Award Year: 2017-2018

Compliance Requirement: Eligibility

Management's or Department's Response:

We concur.

Views of Responsible Officials and Corrective Action:

The County will establish policies and procedures to ensure the proper review of client data input into C-IV with proper maintenance of eligibility determination forms. The County will also update policies and procedures to support eligibility determination with properly maintained files, including judicial determinations and state payment rates.

Name of Responsible Person: Sam Kaisch, Deputy Director of Human Services Agency

Name of Department Contact: Sam Kaisch, Deputy Director of Human Services Agency

Projected Implementation Date: March 2019