

Single Audit Report
(Uniform Guidance)
For the Fiscal Year Ended June 30, 2019
County of San Joaquin, California

COUNTY OF SAN JOAQUIN, CALIFORNIA
SINGLE AUDIT REPORT
(UNIFORM GUIDANCE)
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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CPAs & BUSINESS ADVISORS

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

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, 2019, 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 23, 2020. 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 2019-010, 2019-011 and 2019-013 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 2019-001 through 2019-009, 2019-012 and 2019-014 to be significant deficiencies.

Compliance and Other Matters

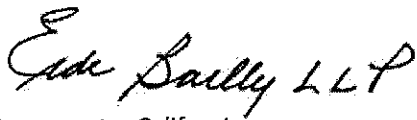
As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material 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.

A handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Sacramento, California
March 23, 2020



CPAs & BUSINESS ADVISORS

Independent Auditor's 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 Department 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, 2019. 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.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of 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, Medicaid Cluster Program and Continuum of Care 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 2019-016 for Activities Allowed or Unallowed, Allowable Costs/Cost Principles and Eligibility, CFDA 93.778 Medicaid Cluster Program as described in finding number 2019-015 for Eligibility, and CFDA 14.267 Continuum of Care Program as described in finding number 2019-023 and 2019-024 for matching & earmarking and special tests & provisions respectively. 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, Medicaid Cluster Program and Continuum of Care 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, Medicaid Cluster Program and Continuum of Care Program for the year ended June 30, 2019.

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, 2019.

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 2019-017, and 2019-19 through 2019-022. 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 2019-015, 2019-016, 2019-018 and 2019-022 through 2019-024 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 2019-017, 2019-019 and 2019-021 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, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated March 23, 2020, which contained unmodified opinions on those financial statements. Our report 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.



Sacramento, California
March 25, 2020

COUNTY OF SAN JOAQUIN, CALIFORNIA

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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	\$ 1,407	\$ -
Plant and Animal Disease, Pest Control, and Animal Care - Light Brown Apple Moth Regulatory	10.025	17-8506-1164-CA / 17-0154-036-SF	4,806	-
Plant and Animal Disease, Pest Control, and Animal Care - Light Brown Apple Moth Regulatory	10.025	18-0299-039-SF	5,796	-
Plant and Animal Disease, Pest Control, and Animal Care - Light Brown Apple Moth Detection Trapping	10.025	18-0299-019-SF	9,448	-
Plant and Animal Disease, Pest Control, and Animal Care - Asian Citrus Psyllid Detection (ACP)	10.025	18-8506-1211-CA / 17-0428-004-SF	73,419	-
Plant and Animal Disease, Pest Control, and Animal Care - Asian Citrus Psyllid Detection (ACP)/Huanglongbing (HLB)	10.025	18-0293-010-SF	88,965	-
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	164,740	-
Plant and Animal Disease, Pest Control, and Animal Care - Exotic Fruit Fly (Pest Detection/Emergency Projects)	10.025	17-0150	38,692	-
Plant and Animal Disease, Pest Control, and Animal Care - Pest Detection Emergency Projects	10.025	18-0221	236,197	-
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	24,024	-
Plant and Animal Disease, Pest Control, and Animal Care - Pierce's Disease Control Program	10.025	17-0453-014-SF	155,491	-
Plant and Animal Disease, Pest Control, and Animal Care - Phytophthora Ramorum - Non-quarantined	10.025	18-0295-014-SF	12,170	-
Subtotal Plant and Animal Disease, Pest Control, and Animal Care			815,155	-
Specialty Crop Block Grant Program - Farm Bill	10.170	SBG15028	2,751	-
Specialty Crop Block Grant Program - San Joaquin County Ag Venture	10.170	18-0001-048-SC	32,774	3,600
Subtotal Specialty Crop Block Grant Program			35,525	3,600
Passed through California Department of Aging:				
Senior Farmers Market Nutrition Program	10.576	2019	13,280	-
Senior Farmers Market Nutrition Program	10.576	2018	7,780	-
Subtotal Senior Farmers Market Nutrition Program			21,060	-
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	177,625	-
Passed through California Department of Public Health:				
WIC - Special Supplemental Nutrition Program for	10.557	15-10111 A03	2,158,593	-
Passed through California Department of Social Services:				
Trade Mitigation Program Eligible Recipient Agency Operational Funds	10.178	PCA 21405 (Phase 2 Allocation)	19,297	-
Supplemental Nutrition Assistance Program (SNAP) Cluster:				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program - Nutrition Network - Federal Share	10.561	16-10176	887,252	211,871
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program - CalFresh (Food Stamps), CFET and CFET Enhanced	10.561	187CACA4s2514 / 39-2018-SNAP ADMIN	10,738,901	272,440
Subtotal SNAP Cluster			11,645,450	484,311
Food Distribution Cluster:				
Emergency Food Assistance Program (Administrative Costs)	10.568	15-MOU-139 (FFY 2018-19)	107,549	-
Emergency Food Assistance Program (Administrative Costs)	10.568	15-MOU-139 (FFY 2017-18)	50,894	-
Emergency Food Assistance Program (Food Commodities) - In-Kind Food	10.569	15-6057 (FFY 2018-19)	1,782,270	-
Subtotal Food Distribution Cluster			1,940,713	-
Total United States Department of Agriculture			16,794,121	487,911

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, 2019**

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 Commerce				
Direct Programs:				
Economic Development Cluster:				
Economic Adjustment Assistance - Revolving Loan Fund - Bank of Stockton	11.307	07-19-01936	\$ 6,329,847	\$ -
Total United States Department of Commerce			6,329,847	-
United States Department of Housing and Urban Development				
Direct Programs:				
Community Development Block Grants/Entitlement Grants Cluster:				
Community Development Block Grants/Entitlement Grants	14.218	B-15-UC-06-0009	327,152	318,203
Community Development Block Grants/Entitlement Grants	14.218	B-16-UC-06-0009	284,199	269,860
Community Development Block Grants/Entitlement Grants	14.218	B-17-UC-06-0009	671,929	561,229
Community Development Block Grants/Entitlement Grants	14.218	B-18-UC-06-0009	1,156,705	449,883
Passed through City of Stockton:				
Community Development Block Grants/Entitlement Grants	14.218	OB2288583 / 2018-06-19-1503-10NP	10,000	-
Subtotal Community Development Block Grants/Entitlement Grants Cluster			2,449,985	1,599,175
Emergency Solutions Grant Program	14.231	S-16-UC-06-0009	20,246	20,246
Emergency Solutions Grant Program	14.231	S-17-UC-06-0009	12,663	12,663
Emergency Solutions Grant Program	14.231	S-18-UC-06-0009	198,102	181,430
Subtotal Emergency Solutions Grants Program			231,011	214,339
Continuum of Care Program - CARE	14.267	CA0902L9T111607	77,753	77,753
Continuum of Care Program - CARE	14.267	CA0902L9T111708	262,264	262,264
Continuum of Care Program - CHARM	14.267	CA0248L9T111607	19,522	19,522
Continuum of Care Program - CHARM	14.267	CA0248L9T111708	79,292	79,292
Continuum of Care Program - Hermanas I	14.267	CA08251L9T111607	4,742	4,742
Continuum of Care Program - Hermanas I	14.267	CA08251L9T111708	97,296	97,296
Continuum of Care Program - Hermanas II	14.267	CA0761L9T111606	58,114	58,114
Continuum of Care Program - Hermanas II	14.267	CA0761L9T111707	54,768	54,768
Continuum of Care Program - Homelessness to Homes II	14.267	CA025019T111608	8,864	8,864
Continuum of Care Program - Homelessness to Homes II	14.267	CA025019T111709	242,441	242,441
Continuum of Care Program - Homelessness to Homes II	14.267	CA025019T111810	16,520	16,520
Continuum of Care Program - HOPE	14.267	CA0252L9T111608	105,619	105,619
Continuum of Care Program - HOPE	14.267	CA0252L9T111709	324,012	324,012
Continuum of Care Program - Horizons (SM)	14.267	CA0762L9T111607	1,679	1,679
Continuum of Care Program - Horizons (SM)	14.267	CA0762L9T111708	188,468	188,468
Continuum of Care Program - Horizons (SM)	14.267	CA0762L9T111809	11,046	11,046
Continuum of Care Program - Planning	14.267	CA1662L9T111700	129,000	-
Continuum of Care Program - Shelter Plus Care Combined	14.267	CA0253L9T111609	406,187	406,187
Continuum of Care Program - Shelter Plus Care Combined	14.267	CA0253L9T111710	1,773,534	1,773,534
Continuum of Care Program - Shelter Plus Care 5	14.267	CA0835L9T111703	106,186	106,186
Continuum of Care Program - Shelter Plus Care 5	14.267	CA0835L9T111804	85,245	85,245
Continuum of Care Program - Shelter Plus Care 6	14.267	CA0967L9T111702	64,657	64,657
Continuum of Care Program - SPICE	14.267	CA0763L9T111606	19,049	19,049
Continuum of Care Program - SPICE	14.267	CA0763L9T111707	147,647	147,647
Subtotal Continuum of Care Program			4,283,905	4,154,905
HOME Investment Partnerships Program	14.239	M16-UC-06-0009	6,202	6,202
HOME Investment Partnerships Program	14.239	M17-UC-06-0009	586,176	513,638
HOME Investment Partnerships Program	14.239	M18-UC-06-0009	252,389	252,389
Subtotal HOME Investment Partnerships Program			844,767	772,229
Passed through California Department of Health Care Services:				
Housing Opportunities for People with AIDS - HOPWA	14.241	16-10307 A02	388,098	212,420
Total United States Department of Housing and Urban Development			8,197,766	6,953,068

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, 2019**

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 Justice				
Direct Programs:				
Bulletproof Vest Partnership Program	16.607	N/A	\$ 20,563	\$ -
Edward Byrne Memorial Justice Assistance Grant (JAG)	16.738	2016-DJ-BX-1007	46,263	-
Edward Byrne Memorial Justice Assistance Grant (JAG)	16.738	2017-DJ-BX-0982	92,733	-
Edward Byrne Memorial Justice Assistance Grant (JAG)	16.738	2018-DJ-BX-0823	117,056	-
Passed through Board of State and Community Corrections:				
Edward Byrne Memorial Justice Assistance Grant (JAG)	16.738	BSCC 604-17	46,961	-
Subtotal Edward Byrne Memorial Justice Assistance Grant			303,013	-
Special Data Collections and Statistical Studies	16.734	2018-FU-CX-K044	118,825	-
Criminal and Juvenile Justice and Mental Health Collaboration Program - SJC JMH Collaboration Planning Project	16.745	2017-MO-BX-0050	32,491	-
Equitable Sharing Program - Federal Narcotics Enforcement	16.922	N/A	1,026	-
Equitable Sharing Program - Metro	16.922	N/A	113,061	-
Subtotal Equitable Sharing Program			114,087	-
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	76,089	34,390
Passed through California Governors Office of Emergency Services:				
Crime Victim Assistance	16.575	VCGC-5057	782,134	-
Crime Victim Assistance - Victim Witness Assistance	16.575	VW 17 36 0390	335,391	-
Crime Victim Assistance - Victim Witness Assistance	16.575	VW 18 37 0390	950,923	-
Crime Victim Assistance - Unserved/Underserved Advocacy Outreach Program	16.575	UV16020390	28,022	-
Crime Victim Assistance - Unserved/Underserved Advocacy Outreach Program	16.575	UV 18 03 0390	130,616	-
Crime Victim Assistance - County Victim Services (XC) Program	16.575	XC 16 01 0390	784,519	-
Subtotal Crime Victim Assistance			3,011,605	-
Violence Against Women Formula Grants - DOJ-OVW STOP VAWA	16.588	PU16070390 (YEAR 2)	7,147	-
Total United States Department of Justice			3,683,820	34,390
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-1819-11 / AD-31748-18-55-A-6	84,043	-
Passed through California Employment Development Department:				
Workforce Innovation and Opportunity Act (WIOA) Cluster:				
WIOA Adult Program - WIOA ADULT (201)	17.258	K9110056	464,740	-
WIOA Adult Program - WIOA ADULT (202)	17.258	K8106683	888,235	-
WIOA Adult Program - WIOA ADULT (202)	17.258	K9110056	1,253,862	-
WIOA Adult Program - CalJOBS VOS Enhancement: Touch Screen Technology (1090)	17.258	K7102071	4,742	-
WIOA Adult Program - Veteran's Employment-Related Assistance Program (1092)	17.258	K7102076	60,000	-
Subtotal WIOA Adult Program			2,671,579	-
WIOA Youth Activities - WIOA YOUTH (301)	17.259	K8106683	852,609	-
WIOA Youth Activities - WIOA YOUTH (301)	17.259	K9110056	2,089,262	1,099,330
Subtotal WIOA Youth Activities			2,941,871	1,099,330

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, 2019**

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 Labor (continued)				
WIOA Dislocated Worker Formula Grants - WIOA RAPID RESPONSE LAYOFF AVERSION (292)	17.278	K9110056	\$ 11,054	\$ -
WIOA Dislocated Worker Formula Grants - WIOA RAPID RESPONSE LAYOFF AVERSION (293)	17.278	K9110056	43,486	-
WIOA Dislocated Worker Formula Grants - WIOA - Transferred Dislocated Worker to Adult (500)	17.278	K9110056	893,978	-
WIOA Dislocated Worker Formula Grants - WIOA DW FORMULA (501)	17.278	K9110056	404,364	-
WIOA Dislocated Worker Formula Grants - WIOA DW FORMULA (502)	17.278	K8106683	963,512	-
WIOA Dislocated Worker Formula Grants - WIOA DW FORMULA (502)	17.278	K9110056	93,898	-
WIOA Dislocated Worker Formula Grants - WIOA RAPID RESPONSE (540)	17.278	K9110056	39,191	-
WIOA Dislocated Worker Formula Grants - WIOA RAPID RESPONSE (541)	17.278	K9110056	194,713	-
WIOA Dislocated Worker Formula Grants - WIOA Dislocated Worker Additional Assistance (1106)	17.278	K7102071	622,736	-
Subtotal WIOA Dislocated Worker Formula Grants			3,266,932	-
Subtotal WIOA Cluster			8,880,382	1,099,330
Workforce Investment Act National Emergency Grants	17.277	K9110056	60,004	-
Total United States Department of Labor			9,024,429	1,099,330
United States Department of Transportation				
Direct Programs:				
Airport Improvement Program - AIP-33 Rehabilitate Runway and Taxiway Lighting and Signage	20.106	3-06-0250-33	19,958	-
Airport Improvement Program - AIP-37 Reconstruct General Aviation Apron Phase 2	20.106	3-06-0250-037-2017	583,433	-
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	93,257	-
Airport Improvement Program - AIP-39 Taxiway B Extension to Runway 29R End	20.106	3-06-0250-039-2018	2,222,034	-
Airport Improvement Program - AIP-40 Terminal Apron Extension	20.106	3-06-0250-040-2018	2,229,777	-
Subtotal Airport Improvement Program			5,148,459	-
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)	15,796	-
Highway Planning & Construction - Victory Road over Lone Tree Creek	20.205	BRLO-5929 (216)	192,960	-
Highway Planning & Construction - Modesto, McHenry Ave from Jones Rd to Stanislaus City Line Widen Road	20.205	STPL-5929 (196)	384,515	-
Highway Planning & Construction - Mariposa Road over S. Little Johns Creek	20.205	BPMP-5929(227)	2,305	-
Highway Planning & Construction - McHenry Ave. Bridge Replacement	20.205	BRLS-5929 (166)	7,793,911	-
Highway Planning & Construction - McHenry Ave. Bridge Replacement	20.205	BRLS-5929 (167)	277,543	-
Highway Planning & Construction - Escalon Belota Rd over Mormon Slough	20.205	BRLS-5929(192)	152,189	-
Highway Planning & Construction - Peltier Road Bridge No. 29C-037 Rehabilitation	20.205	BRLS-5929(237)	314,030	-

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, 2019**

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)				
Highway Planning & Construction - Bollea Road over Bear Creek Bridge #29C0413	20.205	BRL0-5929(236)	\$ 88,326	\$ -
Highway Planning & Construction - Buckman Road Bridge No. 29C-307 Rehabilitation	20.205	BRLO-5929(241)	70,439	-
Highway Planning & Construction - Eight Mile Road Bridge No. 29C-219 Rehabilitation	20.205	BRLS-5929(233)	104,667	-
Highway Planning & Construction - Escalon Bellota Road Bridge No. 29C-038 Replacement	20.205	BRLS-5929(238)	71,582	-
Highway Planning & Construction - Escalon Bellota Rd 29C-051 Replacement	20.205	BRLS-5929(276)	57,957	-
Highway Planning & Construction - Pezzi Road Bridge No. 29C-199 Rehabilitation	20.205	BRLO-5929(240)	23,266	-
Highway Planning & Construction - Sexton Road Bridge No. 29C-319 Replacement	20.205	BRLO-5929(242)	124,244	-
Highway Planning & Construction - Walnut Grove Road Bridge No. 29C-131 Replacement	20.205	BRLS-5929(239)	689,816	-
Highway Planning & Construction - Wimer Road Bridge No. 29C-303 Rehabilitation	20.205	BRLO-5929(235)	108,107	-
Highway Planning & Construction - Cotta Road over Upland Canal, Bridge #29C0292	20.205	BRLO-5929(234)	62,534	-
Highway Planning & Construction - Buckman Rd over Duck Creek #29C-0227	20.205	BRLO-5929(245)	75,920	-
Highway Planning & Construction - Jack Tone Rd (Harney Lne to Jack Tone Rd)	20.205	STPL-5929(271)	14,027	-
Highway Planning & Construction - Movable Span Bridges - Inspection	20.205	BRLS-5929(229)	259,691	-
Highway Planning & Construction - McHenry Ave. and River Rd. Traffic Signal	20.205	CML-5929 (247)	170,071	-
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)	11,235	-
Highway Planning & Construction - Messick Rd Bridge # 29C-274 Replacement	20.205	BRLO-5929(254)	40,445	-
Highway Planning & Construction - Cherokee Rd (Sanguinetti Lane to Diverting Canal)	20.205	STPCML-5929 (256)	969,811	-
Highway Planning & Construction - Bridge Joint Seal Replacement	20.205	BPMP-5929 (257)	4,471	-
Highway Planning & Construction - Bridge Barrier Rail Replacement Program	20.205	BPMP-5929 (259)	5,055	-
Highway Planning & Construction - Delta Mendota Bridge Railing Replacement	20.205	BPMP-5929 (260)	32,175	-
Highway Planning & Construction - Fine Road Bridge (29C-228)	20.205	BPMP-5929 (261)	37,530	-
Highway Planning & Construction - Harney Lane Bridge (29C-341)	20.205	BPMP-5929 (262)	32,945	-
Highway Planning & Construction - Ash St & Mathews Road Resurfacing	20.205	STPL-5929(277)	947,085	-
Highway Planning & Construction - West Lane Resurfacing (West Side Only)	20.205	STPL-5929(278)	283,133	-
Highway Planning & Construction - Eight Mile Road Resurfacing	20.205	STPL-5929(279)	2,055	-
Highway Planning & Construction - Washington Street Resurfacing	20.205	STPL-5929(280)	33,095	-
Highway Planning & Construction - Union Road Safety Improvements	20.205	HRRRL-5929(283)	97,978	-
Highway Planning & Construction - Bird Road Safety Improvements	20.205	HRRRL-5929(284)	161,963	-
Highway Planning & Construction - Austin Road Safety Improvements	20.205	HRRRL-5929(285)	273,257	-

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, 2019**

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)				
Highway Planning & Construction - French Camp Road Safety Improvements	20.205	HRRRL-5929(286)	\$ 383,892	\$ -
Highway Planning & Construction - Byron Rd/Grant Line Rd Roundabout	20.205	HRRRL-5929(288)	31,145	-
Highway Planning & Construction - Duncan/Comstock Rd Roundabout	20.205	HRRRL-5929(289)	45,729	-
Highway Planning & Construction - Liberty/Dustin Rd Roundabout	20.205	HRRRL-5929(290)	19,234	-
Highway Planning & Construction - Rubberized Chip Seal 2016-2017	20.205	STPL-5929(293)	652,949	-
Highway Planning & Construction - Blossom Rd to Thornton Rd Resurfacing	20.205	STPL-5929(294)	62,451	-
Highway Planning & Construction - Develop Bridge Maintenance Plan	20.205	BPMPL-5929(292)	24,143	-
Highway Planning & Construction - El Dorado Street Resurfacing - STP	20.205	STPL-5929(295)	65,037	-
Highway Planning & Construction - West Lane Resurfacing (East Side Only) - STP	20.205	STPL-5929(297)	58,006	-
Highway Planning & Construction - West Lane Resurfacing (West Side Only) - STP	20.205	STPL-5929(298)	56,922	-
Highway Planning & Construction - French Camp Road Resurfacing	20.205	STPL-5929(296)	70,042	-
Highway Planning & Construction - West Ripon Road Resurfacing	20.205	STPL-5929(300)	55,226	-
Highway Planning & Construction - Countywide Solar Red Flashing LED Beacon	20.205	HRRRL-5929(287)	3,413	-
Highway Planning & Construction - Woodward Island Ferry Replacement with a Bridge	20.205	BRNBIF 5929 (154)	14,535,337	-
Highway Planning & Construction - Purchase of 60 Hybrid Vehicles	20.205	CML-5929 (243)	32,772	-
Subtotal Highway Planning and Construction Cluster			<u>30,082,427</u>	<u>-</u>
Passed through California Office of Emergency Services (CalOES): Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	HM-HMP-578-16-01-00	<u>5,082</u>	<u>-</u>
Passed through California Office of Traffic Safety: Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	AL18022 (YEAR 2)	<u>38,416</u>	<u>-</u>
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	AL19017 (YEAR 1)	<u>103,879</u>	<u>-</u>
Subtotal Minimum Penalties for Repeat Offenders for Driving While Intoxicated			<u>142,295</u>	<u>-</u>
Highway Safety Cluster: National Priority Safety Programs - Child Passenger Safety	20.616	OP18008	<u>14,887</u>	<u>-</u>
National Priority Safety Programs - Child Passenger Safety	20.616	OP19014	<u>62,026</u>	<u>-</u>
Subtotal Highway Safety Cluster			<u>76,913</u>	<u>-</u>
Total United States Department of Transportation			<u>35,455,176</u>	<u>-</u>
United States Department of Energy				
Passed through California Department of Community Services and Development: Weatherization Assistance for Low-Income Persons	81.042	17C-4023	<u>170,961</u>	<u>-</u>
Total United States Department of Energy			<u>170,961</u>	<u>-</u>
United States Department of Education				
Passed through California Employment Training Panel: Rehabilitation Services Vocational Rehabilitation Grants to States - Summer Training and Employment Program for Students (634)	84.126	N/A	<u>332,767</u>	<u>-</u>
Total United States Department of Education			<u>332,767</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, 2019**

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 Election Assistance Commission				
Passed through California Department of Community Services and Development:				
Help America Vote Act Requirements Payments	90.401	17G26138	3,204	-
Total United States Election Assistance Commission			<u>3,204</u>	<u>-</u>
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-1819-11 / 18AACAT7EA (VII-B)	\$ 3,066	\$ -
Special Programs for the Aging, Title VII, Chapter 3, Programs for Prevention of Elder Abuse, Neglect, and Exploitation	93.041	AP-1819-11 / 19AACAT7EA (VII-B)	6,156	-
Special Programs for the Aging, Title VII, Chapter 2, Long Term Care Ombudsman Services for Older Individuals	93.042	AP-1819-11 / 18AACAT7OM (VII-A)	13,675	-
Special Programs for the Aging, Title VII, Chapter 2, Long Term Care Ombudsman Services for Older Individuals	93.042	AP-1819-11 / 19AACAT7OM (VII-A)	25,901	-
Special programs for the Aging, Title III, Part D, Disease Prevention And Health Promotion Services	93.043	AP-1819-11 / 18AACAT3PH (III-D)	8,990	8,765
Special programs for the Aging, Title III, Part D, Disease Prevention And Health Promotion Services	93.043	AP-1819-11 / 19AACAT3PH (III-D)	24,545	24,545
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	AP-1819-11 / 19AACAT3SS (III-B)	502,462	228,197
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	AP-1819-11 / 18AACAT3SS (III-B)	272,497	81,291
Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045	AP-1819-11 / 17AACAT3CM (III-C-1)	226,369	30,009
Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045	AP-1718-11 / 18AACAT3CM (III-C-1)	532,982	250,515
Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045	AP-1819-11 / 18AACAT3CHD (III-C-2)	189,807	-
Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045	AP-1819-11 / 19AACAT3HD (III-C-2)	320,823	-
National Family Caregiver Support, Title III, Part E - Special Programs	93.052	AP-1819-11 / 18AACAT3FC (III-E)	137,550	2,500
National Family Caregiver Support, Title III, Part E - Special Programs	93.052	AP-1819-11 / 19AACAT3FC (III-E)	207,924	1,834
Nutrition Services Incentive Program	93.053	AP-1819-11 / 18AACANSIP (NSIP)	50,370	7,279
Nutrition Services Incentive Program	93.053	AP-1819-11 / 19AACANSIP (NSIP)	134,856	23,425
Subtotal Aging Cluster			<u>2,657,973</u>	<u>658,360</u>
Passed through California Department of Alcohol and Drug Program:				
Block Grants for Prevention and Treatment of Substance Abuse - SAPT Block Grant - Discretionary	93.959	2018 Award	655,161	-
Block Grants for Prevention and Treatment of Substance Abuse - SAPT Block Grant - Prevention	93.959	2018 Award	465,569	-
Block Grants for Prevention and Treatment of Substance Abuse - SAPT Block Grant - Friday Night Live-Club Live	93.959	2018 Award	18,205	-
Block Grants for Prevention and Treatment of Substance Abuse - SAPT Adolescent/Youth Treatment Program	93.959	2018 Award	576	-
Subtotal Block Grants for Prevention and Treatment of Substance Abuse (SAPT)			<u>1,139,511</u>	<u>-</u>
Passed through California Department of Community Services & Development:				
Low-Income Home Energy Assistance - EHA 16	93.568	18B-4033	397,321	-
Low-Income Home Energy Assistance - EHA 16	93.568	19B-5032	424,754	-
Low-Income Home Energy Assistance - Weatherization	93.568	18B-4033	676,313	-
Low-Income Home Energy Assistance - Weatherization	93.568	19B-5032	922,408	-
Subtotal Low-Income Home Energy Assistance Program			<u>2,420,796</u>	<u>-</u>
Community Services Block Grant (CSBG) - Discretionary	93.569	18F-5038	33,242	-
Community Services Block Grant (CSBG)	93.569	19F-4038	760,028	-
Community Services Block Grant (CSBG) - Non-Discretionary	93.569	18F-5038	340,188	-
Subtotal Community Services Block Grant (CSBG)			<u>1,133,458</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, 2019**

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 Health Care Services:				
Public Health Emergency Preparedness (PHEP)	93.069	17-10189	\$ 705,953	\$ -
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	93.074	17-10190	252,654	-
Immunization Cooperative Agreements - Immunization Registry Program - RIDE	93.268	18-10288	70,072	-
Immunization Cooperative Agreements - Immunization Project Subvention Funds Program IAP	93.268	17-10072	234,946	-
Subtotal Immunization Cooperative Agreements			305,018	-
Medicaid Cluster:				
Medical Assistance Program - IHSS	93.778	N/A	3,130,610	-
Medical Assistance Program - Child Lead Poisoning Prevention Program	93.778	17-10241	87,300	-
Medical Assistance Program - Child Health Disability Prevention - CHDP	93.778	CHDP Admin	331,747	-
Medical Assistance Program - Children's Medical Services - CMS (PHS)	93.778	DHCS ALLOCATION	2,905,691	-
Medical Assistance Program - Title XIX Grant - Local Dental Pilot Project	93.778	16-93568, 1705CA5MAP	631,955	-
Medical Assistance Program - Medi-Cal	93.778	N/A	25,458,298	-
Subtotal Medicaid Cluster			32,545,601	-
HIV Care Formula Grants - Comprehensive AIDS Resources Emergency - CARE	93.917	15-11074	257,968	-
HIV Care Formula Grants - HIV Prevention	93.917	15-10948	61,703	-
HIV Care Formula Grants - HIV Prevention	93.917	18-10769	59,427	-
HIV Care Formula Grants - Minority AIDS Initiative - MAI	93.917	15-11074 A01	16,017	-
Subtotal HIV Care Formula Grants			395,115	-
HIV Demonstration, Research, Public and Professional Education Projects - AIDS Surveillance Program - ASP	93.941	16-10799	8,568	-
Assistance Programs for Chronic Disease - CDC Lifetime of Wellness	93.945	14-10716 A03	233,291	53,386
Maternal and Child Health Services Block Grant - Black Infant Health Program - BIH	93.994	Allocation No. 201839	567,385	-
Maternal and Child Health Services Block Grant - Maternal Child Health - MCAH	93.994	Allocation No. 201839	615,387	-
Subtotal Maternal and Child Health Services Block Grant			1,182,772	-
Passed through California Department of Mental Health:				
Projects for Assistance in Transition from Homelessness (PATH) - Homeless Federal Block Grant	93.150	N/A	240,417	-
Block Grants for Community Mental Health Services	93.958	N/A	2,221,390	318,656
Passed through California Department of Public Health:				
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	CDPH Allocation	192,306	-
Diabetes and Heart Disease & Stroke Prevent Programs - CDC Prevention Forward	93.426	18-10829	2,636	-
Expenditures Report - AIDS Drug Assistance Program - ADAP	93.783	16-10499	1,703	-
Preventive Health Services - Sexually Transmitted Diseases Control Grants - Chlamydia/STD - CAPPS/CTSP, STD - CORE	93.977	15-10265	2,574	-
Passed through California Department of Social Services:				
Guardianship Assistance - FedGap	93.090	N/A	1,042,335	-
Guardianship Assistance - KJN-GAP IV-E Admin	93.090	N/A	16,477	-
Subtotal Guardianship Assistance			1,058,812	-

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, 2019**

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)				
Promoting Safe and Stable Families	93.556	N/A	\$ 706,590	\$ 414,411
Temporary Assistance for Needy Families (TANF) Cluster:				
Temporary Assistance for Needy Families - CalWORKs Asst	93.558	N/A	5,625,456	-
Temporary Assistance for Needy Families - CalWORKs ARC	93.558	N/A	419,599	-
Temporary Assistance for Needy Families - CalWORKs CEC Programs	93.558	N/A	3,384,135	-
Temporary Assistance for Needy Families - CalWORKs Single Allocation	93.558	N/A	24,112,660	6,517,036
Temporary Assistance for Needy Families - CWS TANF	93.558	N/A	4,933,685	-
Temporary Assistance for Needy Families - Fraud Incentive	93.558	N/A	151,868	-
Subtotal TANF Cluster			<u>38,627,403</u>	<u>6,517,036</u>
Child Support Enforcement	93.563	N/A	10,501,037	-
Child Support Enforcement Research - Behavioral Interventions for Child Support Services (BICS)	93.564	10-0673-18	97,151	-
Refugee and Entrant Assistance State/Replacement Designee Administered Programs - Refugee Cash Assistance	93.566	N/A	15,234	-
Adoption and Legal Guardianship Incentive Payments	93.603	N/A	1,374	-
Stephanie Tubbs Jones Child Welfare Services Program - CWS IV - B	93.645	N/A	591,023	-
Temporary Child Care and Crisis Nurseries - Probation IV - E (HSA Admin)	93.656	N/A	-	-
Foster Care Title IV-E	93.658	N/A	21,487,819	425,345
Adoption Assistance - Refugee Cash Assistance (RCA)	93.659	N/A	13,014	-
Adoption Assistance	93.659	N/A	10,895,158	-
Adoption Assistance - Adoptions (Admin) (Includes Eligibility)	93.659	N/A	1,629,628	-
Subtotal Adoption Assistance			<u>12,537,800</u>	<u>-</u>
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	-
Subtotal Social Services Block Grant			<u>2,173,980</u>	<u>-</u>
Chafee Foster Care Independence Program - ILP	93.674	N/A	279,342	18,513
Passed through Partners in Care Foundation, Inc.: Evidence-Based Falls Prevention Program	93.761	90FPSG0005-01-01	11,741	-
Total United States Department of Health and Human Services			<u>133,731,042</u>	<u>8,405,707</u>
Corporation for National and Community Service				
Direct Programs:				
Retired & Senior Volunteer Program (RSVP)	94.002	18SRPCA003	36,703	-
Retired & Senior Volunteer Program (RSVP)	94.002	18SRPCA003	23,499	-
Subtotal Retired & Senior Volunteer Program			<u>60,202</u>	<u>-</u>
Total Corporation for National and Community Service			<u>60,202</u>	<u>-</u>
United States Department of Homeland Security				
Passed through California Office of Emergency Services:				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	FEMA-4308-DR-CA	686,360	-
Emergency Management Performance Grants	97.042	2018-0008	278,307	-
Homeland Security Grant Program - FY 2016	97.067	2016-0102	410,162	-
Homeland Security Grant Program - FY 2017	97.067	2017-0083	54,426	-
Subtotal Homeland Security Grant Program			<u>464,588</u>	<u>-</u>
Passed through United Way:				
Emergency Food and Shelter National Board Program	97.024	Phase 35, ID# 086000-008 (FFY 2016-17)	38,774	-
Total United States Department of Homeland Security			<u>1,468,029</u>	<u>-</u>
Total Expenditures of Federal Awards			<u>\$ 215,251,364</u>	<u>\$ 16,980,406</u>

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, 2019**

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, 2019. 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 in the schedule are reported on the modified accrual basis of accounting, except for subrecipient expenditures, which are recorded on the cash basis. When applicable, 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.

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, 2019**

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.

COUNTY OF SAN JOAQUIN, CALIFORNIA

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

I. SUMMARY OF AUDITOR'S 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 and Department of Housing and Urban Development - Continuum of Care, which were qualified.

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>
<u>10.561</u>	<u>Supplemental Nutrition Assistance Program (SNAP)</u>
<u>14.267</u>	<u>Continuum of Care Program</u>
<u>16.575</u>	<u>Crime Victim Assistance</u>
<u>20.106</u>	<u>Airport Improvement program</u>
<u>20.205</u>	<u>Highway Planning and Construction Cluster</u>
<u>93.778</u>	<u>Medicaid Cluster</u>
<u>93.563</u>	<u>Child Support Enforcement</u>
<u>93.659</u>	<u>Adoption Assistance</u>

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, 2019**

II. FINANCIAL STATEMENT FINDINGS

Finding 2019-001

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 in several instances 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.

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 June 30, 2018 Financial Statement Audit, reported as finding number 2018-001.

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:

Management agrees. See separate corrective action plan.

COUNTY OF SAN JOAQUIN, CALIFORNIA

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

II. FINANCIAL STATEMENT FINDINGS

Finding 2019-002

**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:

This is a repeat condition from the June 30, 2018 Financial Statement Audit, reported as finding number 2018-003.

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:

Management agrees. See separate corrective action plan.

COUNTY OF SAN JOAQUIN, CALIFORNIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

II. FINANCIAL STATEMENT FINDINGS

Finding 2019-003

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 one 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 one instance 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:

Management agrees. See separate corrective action plan.

COUNTY OF SAN JOAQUIN, CALIFORNIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

II. FINANCIAL STATEMENT FINDINGS

Finding 2019-004

AIRPORT CASH HANDLING

Criteria:

Internal and physical controls should be established to ensure proper handling and safeguarding of cash.

Condition Found:

Significant Deficiency – We identified that the Airport did not maintain proper physical controls over cash and did not make timely deposits of cash.

Context:

Through our observation of the internal control process over cash receipts at the Airport, we noted a stack of cash in an envelope that was left unattended on the safe. We were informed by Airport management that the cash had been there for an extended period of time and that the Airport management was unable to determine where the cash originated from. In addition, the door to the safe was opened and there were no security cameras monitoring the safe. Inside the safe, we noted additional cash that was received but had yet to be recorded in the general ledger.

Cause:

The Airport did not have policies and procedures to ensure proper handling and timely deposit of cash.

Effect:

There is an increased risk of fraud and asset misappropriation as the Airport did not have proper internal controls over cash handling.

Recommendation:

We recommend that management implement policies and procedures over proper cash handling and timely deposits.

Views of Responsible Officials and Planned Corrective Actions:

Management agrees. See separate corrective action plan.

COUNTY OF SAN JOAQUIN, CALIFORNIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

II. FINANCIAL STATEMENT FINDINGS

Finding 2019-005

AIRPORT RECEIPTING PROCESS

Criteria:

Internal controls should be established to ensure segregation of duties between the receiving and recording of cash receipts into the general ledger.

Condition Found:

Significant Deficiency – We identified that the Airport did not have proper segregation of duties to ensure critical functions of the cash receipt process were segregated.

Context:

Through our observation of the internal control process over cash receipts at the Airport, we identified that an individual recorded, billed, and tracked receivables, received payments from customers and recorded deposits into the County's general ledger system (PeopleSoft), and performed reconciliations.

Cause:

The Airport did not have policies and procedures in place to segregate critical cash receipt functions.

Effect:

There is an increased risk of error or fraud as there is a lack of segregation of duties in the cash receipt processes.

Recommendation:

We recommend that management implement policies and procedures to separate key functions of the cash receipt process to ensure proper segregation of duties.

Views of Responsible Officials and Planned Corrective Actions:

Management agrees. See separate corrective action plan.

COUNTY OF SAN JOAQUIN, CALIFORNIA

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

II. FINANCIAL STATEMENT FINDINGS

Finding 2019-006

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:

This is a repeat condition from the June 30, 2018 Financial Statement Audit, reported as finding number 2018-007.

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:

Management agrees. See separate corrective action plan.

COUNTY OF SAN JOAQUIN, CALIFORNIA

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

II. FINANCIAL STATEMENT FINDINGS

Finding 2019-007

CASH DISBURSEMENT PROCESSES

Criteria:

Internal controls should be established to ensure segregation of duties between the creating/editing of vendor files, creating/posting of accounts payable, and the printing of checks.

Condition Found:

Significant Deficiency – We identified a lack of segregation of duties in the Auditor-Controller's Office (ACO) within the processes involving cash disbursements.

Context:

During our audit, we identified that the individuals in the Auditor-Controller's Office (ACO) have the ability to create/edit vendor files, create/post accounts payable, and print checks which are not subject to separate review by a separate individual. We noted that this is limited to two individuals in the ACO.

Cause:

The cash disbursement process did not have proper segregation of duties.

Effect:

There is an increased risk of error or fraud if there is ability for management to override controls in the cash disbursement processes.

Recommendation:

We recommend that management implement policies and procedures within PeopleSoft to disallow an individual from creating/editing vendor files, approving and posting accounts payable to the general ledger, and maintain proper physical controls over the safekeeping and printing of checks.

Views of Responsible Officials and Planned Corrective Actions:

Management agrees. See separate corrective action plan.

COUNTY OF SAN JOAQUIN, CALIFORNIA

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

II. FINANCIAL STATEMENT FINDINGS

Finding 2019-008

REVENUE RECOGNITION

Criteria:

An analysis over unearned revenues should be performed to ensure proper revenue recognition.

Condition Found:

Significant Deficiency – We identified that the County does not perform an analysis over unearned revenue at year end to determine if the ending balance consists of earned revenues as defined by Statement No. 33 of the Governmental Accounting Standards Board: *Accounting and Financial Reporting for Nonexchange Transactions*.

Context:

During our audit, we identified that the County does not perform an analysis over the unearned revenue balance at year-end and as such improperly recorded \$2,946,244 of revenue as unearned revenue.

Cause:

There was no analysis of unearned revenue at year-end.

Effect:

As there is no analysis performed over the unearned revenue balance, there is an increased risk of improper revenue recognition that could materially understate revenues and overstate unearned revenues.

Recommendation:

We recommend that management implement procedures to perform an analysis over unearned revenues at year-end to ensure proper revenue recognition.

Views of Responsible Officials and Planned Corrective Actions:

Management agrees. See separate corrective action plan.

COUNTY OF SAN JOAQUIN, CALIFORNIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

II. FINANCIAL STATEMENT FINDINGS

Finding 2019-009

OTHER POST EMPLOYMENT BENEFITS (OPEB) LIABILITY

Criteria:

Reconciliation should be performed by the County to ensure OPEB census data reported by the actuaries is consistent with County records.

Condition Found:

Significant Deficiency – We identified that the County does not perform a reconciliation over the member data reported by the actuaries to the demographic data transmitted to the actuaries.

Context:

During our audit, we identified that the County only transmits active medical census information to the actuary and the inactive information is transmitted to the actuaries by San Joaquin County Employee Retirement System (SJCERA). However, the County does not perform a reconciliation to ensure the member data (active and inactive) reported by the actuaries is consistent with the demographic data transmitted to the actuaries.

Cause:

There was no reconciliation of member data reported by the actuary to County records.

Effect:

There is an increased risk that information used by the actuaries to perform their calculations of the OPEB liability are incorrect due to inaccurate reporting.

Recommendation:

We recommend that management implement procedures to reconcile member data on the GASB 75 report to County records or those records maintained by SJCERA.

Views of Responsible Officials and Planned Corrective Actions:

Management agrees. See separate corrective action plan.

COUNTY OF SAN JOAQUIN, CALIFORNIA

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

II. FINANCIAL STATEMENT FINDINGS

Finding 2019-010

UNTIMELY RECONCILIATIONS FOR CASH AMOUNTS HELD BY THE COUNTY - HOSPITAL

Criteria:

Internal controls should be in place to ensure monthly cash reconciliations are performed between cash amounts recorded by the Hospital and cash amounts reported and held by the County.

Condition Found:

Material Weakness – During the course of our audit, we noted that the Hospital's cash accounts held with the County had not been reconciled in a timely manner, resulting in an unreconciled difference between the cash recorded by the Hospital and the County of \$3,687,295. This difference resulted in an audit adjustment to increase the Hospital's cash held with County balance to agree to the balance confirmed by the County Auditor Controller's office.

Context:

During our observation of internal controls, we noted the Hospital was not current on its cash reconciliations between the Hospital and the County. As a result, material reconciling differences were noted.

Cause:

Untimely reconciliations between the Hospital and County cash accounts result in material reconciling difference going undetected and unresolved. The difference was never corrected in the final trial balance provided for audit. As a result of our audit procedures, an audit adjustment was proposed to properly state the cash with County balance to agree with the cash balance confirmed by the Auditor-Controller.

Effect:

The Hospital's cash with County account was understated by \$3,687,295.

Recommendation:

We recommend the Hospital implement procedures to ensure the Hospital's cash accounts are reconciled timely and on a monthly basis. In addition, these reconciliations should be reviewed by someone other than the preparer. Reconciling difference should be adequately documented and resolved in a timely manner.

Views of Responsible Officials and Planned Corrective Actions:

Management agrees. See separate corrective action plan.

COUNTY OF SAN JOAQUIN, CALIFORNIA

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

II. FINANCIAL STATEMENT FINDINGS

Finding 2019-011

BALANCE SHEET RECONCILIATION AND THIRD-PARTY SETTLEMENTS - HOSPITAL

Criteria:

The Hospital should maintain procedures to ensure that year-end closing procedures address all balance sheet accounts. The Hospital should also have policies and procedures in place requiring Hospital management to review year-end account balances and determine the propriety and classification of the account balances. In addition, the Hospital should have policies and procedures in place to estimate third party settlement amounts that ultimately will be realizable in order for net patient revenues to be fairly stated in accordance with generally accepted accounting principles. Finally, the Hospital should design and implement internal controls over the financial reporting process to ensure that the general ledger fiscal year period is closed and related financial statements supporting schedules are prepared and reconcile to the general ledger and 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 Found:

Material Weakness – As a result of our audit, we noted that the Hospital did not appear to have adequate internal controls in place to review and evaluate the propriety or nature of its balance sheet accounts and certain third-party settlements at the balance sheet date, and prior to providing the final trial balance for audit.

During our audit of balance sheet accounts, we noted the following:

- A debit balance of \$2,565,156 was originally recorded in an unapplied cash account primarily utilized as a clearing account for accounts receivable payments received which could not be reconciled. This type of account would normally have a zero balance to a negative balance.
- \$7,626,538 of gross patient receivables associated with the Hospital's legacy patient billing system was not properly reconciled to the Hospital's general ledger.
- The Hospital's supporting documentation used to calculate patient accounts receivable contractual reserves incorporated outdated or incorrect Diagnosis-Related-Groups (DRGS) codes, resulting in adjustments to the contractual reserves. We noted that this calculation was performed and provided by a consultant contracted by the Hospital.
- \$9,447,274 of patient accounts receivable written off and transferred to a third-party collection agency or law firm were recorded in the Hospital's general ledger without a corresponding reserve amount recorded with it.
- \$6,672,877 of estimated cost settlements associated with Physician State Plan Amendment (SPA) were calculated utilizing an incorrect method not prescribed by the State which ultimately required a recalculation and subsequent adjustment and prior period adjustment.

Each of the items noted above resulted in adjustment to the financial statements.

Context:

The above condition was identified during our audit procedures over the Hospital's year-end account balances.

COUNTY OF SAN JOAQUIN, CALIFORNIA

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

II. FINANCIAL STATEMENT FINDINGS

Effect:

Adjustments were proposed and posted to the Hospital's financial statements.

Cause:

The Hospital did not appear to have adequate internal controls in place to review and evaluate the propriety or nature of its balance sheet accounts at the balance sheet date.

Recommendation:

We recommend that management implement internal controls to ensure that the proper analysis and reconciliation of balance sheet accounts during the year and for the year-end close. We also recommend that the Hospital management implement a higher level of oversight regarding year-end calculations and estimates provided to the Hospital from its third-party consultants.

Views of Responsible Officials and Planned Corrective Actions:

Management agrees. See separate corrective action plan.

Finding 2019-012

COLLECTION OF PATIENT RESPONSIBILITY FORMS - HOSPITAL

Criteria:

The Hospital should maintain policies and procedures to ensure that Patient Responsibility Forms establishing a patient receivable are collected and maintained.

Condition Found:

Significant Deficiency – As a result of our audit procedures over the Hospital's patient accounts receivable, we noted 9 patient encounters where a Patient Responsibility Form was not signed by the patient.

Context:

Patient Responsibility Forms must be signed in order to establish financial responsibility of the patient for the encounter and as such, establish the patient receivable. We noted that Patient Responsibility Forms were not present for encounters recorded in the Hospital's patient billing system. Further, we noted that Federally Qualified Health Centers (FQHC) had not required these forms to be filled out for services. Of the 9 instances where a Patient Responsibility Form was not found, 7 were associated with FQHC encounters. The other 2 instances were cases where the Patient Responsibility Form was required but a signed copy was not able to be reproduced.

COUNTY OF SAN JOAQUIN, CALIFORNIA

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

II. FINANCIAL STATEMENT FINDINGS

Cause:

During our test-work over patient accounts receivable we noted that the FQHC clinics did not require their patients to fill out the Patient Responsibility Forms. While some FQHC patients filled them out as part of their administrative intake, others did not. Inadequate custodial practices led to the missing Patient Responsibility Forms for the non-FQHC encounters.

Effect:

There is an increased risk that receivable balances would not be enforceable if subsequently contested by the patient after their encounter.

Recommendation:

We recommend that management implement policies and procedures to require the Patient Responsibility Form to be filled out by all patients and properly archived.

Views of Responsible Officials and Planned Corrective Actions:

Management agrees. See separate corrective action plan.

Finding 2019-013

RECORDING (VALUATION) AND SAFEGUARDING OF INVENTORY - HOSPITAL

Criteria:

Internal controls should be in designed and in place to ensure that the proper recording (valuation) and safeguarding of inventory exists and periodic inventory count policies and procedures are followed.

Condition Found:

Material Weakness – We identified that the Hospital did not maintain proper internal controls over the recording of changes in inventory and did not value their inventory amounts correctly.

Context:

Through our observation of the inventory count for General Stores, we identified that there were multiple warehouse personnel that had the ability to change amounts in inventory in the Hospital's inventory module in PeopleSoft with no periodic change report reviews to ensure that changes were authorized. Further, we noted that expired stock was not set aside and removed from inventory before the count or identified by count teams during the inventory count which led to expired stock being observed on the shelf. Finally, we noted that in March 2018 the Hospital transitioned to a Periodic Automatic Replenishment (PAR) level accounting system where inventory items would be expensed from Central Stores when they were requested by Hospital departments which included the Operating Room department. Due to incorrect implementation of this PARS system, a \$2,466,326 adjustment to reduce the value of inventory was recorded in the general ledger.

COUNTY OF SAN JOAQUIN, CALIFORNIA

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

II. FINANCIAL STATEMENT FINDINGS

Cause:

The Hospital did not have proper recording (valuation) and safeguarding policies and procedures in place and did not adhere to its inventory count policies as of June 30, 2019.

Effect:

There is an increased risk of error or asset misappropriation as the Hospital does not maintain appropriate physical and internal controls over inventory change recordings. The incorrect valuation of inventory led to an adjustment downward of \$2,753,883.

Recommendation:

We recommend that management implement policies and procedures over changes of inventories and accurate valuation of inventories. Additionally, we recommend following their Physical Inventory Guidelines to prevent expired items from being recorded into inventory.

Views of Responsible Officials and Planned Corrective Actions:

Management agrees. See separate corrective action plan.

Finding 2019-014

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:

Significant Deficiency – Our audit procedures identified material misstatements in relation to the airport fund related to the Schedule of Expenditures of Federal Awards (Schedule), in that we noted expenditures were not reported correctly for the Airport Improvement Program. The SEFA was overstated by \$774,283.

Context:

During our procedures performed over the Schedule, we identified incorrectly reported expenditures for the program.

Effect:

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

COUNTY OF SAN JOAQUIN, CALIFORNIA

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

II. FINANCIAL STATEMENT FINDINGS

Cause:

The Airport 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 Airport 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:

Management agrees. See separate corrective action plan.

COUNTY OF SAN JOAQUIN, CALIFORNIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Finding 2019-015

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: 2018-2019

Compliance Requirement: Eligibility

Criteria:

Per the 2019 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 60 case files sampled for each of the Medicaid Cluster Programs, we noted the following:

Medicaid Cluster – Medical Assistance Program

- 1 of 60 cases where the recipient eligibility redetermination was not performed timely (Exceeded the 12-month requirement).

Medicaid Cluster – In-Home Supportive Services (IHSS)

- 19 of 60 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/Sampling:

Medicaid Cluster – Medical Assistance Program

A nonstatistical sample of 60 case files out of approximately 3 million case files were selected for eligibility testing.

Medicaid Cluster – In-Home Supportive Services (IHSS)

A nonstatistical sample of 60 case files out of 7728 case files were selected for eligibility testing.

Through testwork of specific requirements related to eligibility, it was noted that redeterminations were not performed on a timely basis.

COUNTY OF SAN JOAQUIN, CALIFORNIA

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Repeat Finding from Prior Year(s): Yes, prior year finding 2018-011.

Effect:

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

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:

Management agrees. See separate corrective action plan.

Finding 2019-016

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: 2018-2019

Compliance Requirement: Activities Allowed or Unallowed, Allowable Costs/Cost Principles and Eligibility

Criteria:

The *2019 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:

- 8 case files were missing the FC8 form that documents federal eligibility. This primarily pertains to case files that predate FY 2014.
- 2 case files that received Federal Assistance payments for the entire fiscal year 2018/2019 but were deemed ineligible.

COUNTY OF SAN JOAQUIN, CALIFORNIA

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Questioned Costs:

We noted known question costs of \$96,712.

Context/Sampling:

A nonstatistical sample of 60 case files out of 2013 case files were selected for eligibility testing.

Through testwork 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*.

Repeat Finding from Prior Year(s): Yes, prior year finding 2018-015.

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:

We recommend that the County implement policies and procedures to ensure that documentation required to support eligibility is properly maintained in the files. 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:

Management agrees. See separate corrective action plan.

COUNTY OF SAN JOAQUIN, CALIFORNIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Finding 2019-017

Program: Supplemental Nutrition Assistance Program (SNAP)

CFDA No.: 10.561

Federal Agency: U.S. Department of Agriculture

Passed-through: California Department of Social Services

Award Year: 2018-2019

Compliance Requirement: Special Tests and Provisions – Automated Data Processing (ADP) Systems for SNAP

Criteria:

The *2019 OMB Compliance Supplement* requires that the County determine eligibility in accordance with the specific special tests and provisions requirements defined in the approved State plan. These requirements include accurately and completely processing and storing all case file information for eligibility determination and re-determinations.

Condition Found:

Significant Deficiency, Instances of Non-Compliance – During our eligibility testing of 40 SNAP case files, we noted that:

- 1 case file did not have a recertification completed timely and benefits were not discontinued
- 1 case file did not include documented evidence of required semi-annual report within document imaging system

Questioned Costs:

We noted known question costs of \$831.

Context/Sampling:

A nonstatistical sample of 40 case files out of 60,000 case files were selected for eligibility testing.

Through test-work of specific requirements related to special tests and provisions, it was noted that the SNAP program files were not properly maintained, and recertification not performed timely in accordance with the *OMB Compliance Supplement*.

Repeat Finding from Prior Year(s): No

Effect:

Case data may not accurately reflect the eligibility status of SNAP recipients thus increasing the risk of noncompliance with the special tests and provisions 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 the special tests and provisions requirements for the eligibility of the recipients.

COUNTY OF SAN JOAQUIN, CALIFORNIA

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Recommendation:

We recommend that the County implement policies and procedures to ensure that redeterminations are completed timely and that the documentation required to support the special tests and provisions requirements for the eligibility of the recipient is properly maintained in the case file.

Views of Responsible Officials and Planned Corrective Actions:

Management agrees. See separate corrective action plan.

Finding 2019-018

Program: Supplemental Nutrition Assistance Program (SNAP)

CFDA No.: 10.561

Federal Agency: U.S. Department of Agriculture

Passed-through: California Department of Social Services

Award Year: 2018-2019

Compliance Requirement: Subrecipient Monitoring

Criteria:

The *2019 Compliance Supplement* and Title 2 CFR Section 200.331(a) of the *Uniform Guidance* states that 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. Additionally, Title 2 CFR 200.331(b) of the *Uniform Guidance* requires a pass-through entity (PTE) to evaluate each subrecipient's risk of noncompliance for purposes of determining the appropriate subrecipient monitoring related to the subaward. This may include consideration of the following factors:

- Subrecipient's prior experience with the same or similar subawards;
- Results of previous audits including whether the subrecipient receives a Single audit in accordance with the *Uniform Guidance*;
- New personnel or system changes;
- Extent of Federal awarding agency monitoring.

Title 2 CFR Section 200.331(f) requires that the pass-through entity verify that every subrecipient is audited as required by Subpart F – *Audit Requirements* when the subrecipient's Federal awards are expended during the respective fiscal year equaled or exceeded the threshold set forth in Section 200.501 – *Audit Requirements*.

Condition Found:

Material Weakness, Instances of Non-Compliance — We noted 1 instance out of 2 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*. In addition, we noted that the County did not perform a risk assessment on the program's subrecipients in accordance with 2 CFR 200.331(b) of the *Uniform Guidance*.

COUNTY OF SAN JOAQUIN, CALIFORNIA

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Questioned Costs:

We identified no questioned costs in our tests of compliance with this requirement.

Context/Sampling:

A nonstatistical sample of 2 subrecipients out of 4 subrecipients were selected for testing, which accounted for \$211,871 of \$484,311 of federal program expenditures.

The condition noted above was identified during our testing over subrecipient monitoring requirements of the program. We noted that the County implemented subrecipient monitoring policies and procedures effective October 2018; however, the subrecipient selected for testing entered into a contract with the County prior to October 2018, therefore, the required monitoring procedures were not performed. The amount passed-through to the subrecipients subject to testing was \$211,871.

Repeat Finding from Prior Year(s): No

Effect:

The County did not identify the required elements of the subaward to the subrecipient nor did the County perform a risk assessment on the subrecipients, increasing the likelihood of noncompliance in relation to the program.

Cause:

The County did not have policies and procedures in place to ensure that the subawards contain the required elements pursuant to 2 CFR 200.331(a) for the period prior to October 2018. Additionally, the County's procedures did not ensure the required risk assessment activities were performed in accordance with the *Uniform Guidance*. The County's procedures did not ensure that the subrecipients underwent a Single Audit during the appropriate periods.

Recommendation:

It is recommended that the County prepare subaward agreements that contain all of the required elements as specified in 2 CFR 200.331(a)(1) and document the risk assessment associated with each subrecipient in accordance with 2 CFR 200.331(b). Additionally, it is recommended that the County develop monitoring procedures to verify whether the subrecipient is required to have a Single Audit, and if so, whether or not the subrecipient had one completed.

Views of Responsible Officials and Planned Corrective Actions:

Management agrees. See separate corrective action plan.

COUNTY OF SAN JOAQUIN, CALIFORNIA

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Finding 2019-019

Program: Highway, Planning and Construction Cluster

CFDA No.: 20.205

Federal Agency: U.S. Department of Transportation

Passed-through: California Department of Transportation

Award Year: 2018-2019

Compliance Requirement: Activities Allowed or Unallowed and Allowable Costs/Costs Principles

Criteria:

Per the *2019 OMB Compliance Supplement* and criteria contained in 2 CFR part 200, costs must not consist of improper payments including payments that should not have been made or that were made in incorrect amounts (including overpayments and underpayments) under statutory, contractual, administrative, or other legally applicable requirements.

Condition Found:

Significant Deficiency, Instance of Non-Compliance – Based on testing of 40 payroll selections, we noted that one employee had an incorrect hourly rate applied to their project labor charges.

Questioned Costs:

We noted known questioned costs of \$657.

Context/Sampling:

A nonstatistical sample of 40 timecards, out of 2397 total timecards, were selected for testing.

During our testing of program payroll costs, we identified an instance in which an employee's hourly rate was being erroneously charged to the program at an additional \$2 per hour over the course of four pay periods. The error resulted in a total of 298.5 hours being charged at the incorrect rate of \$67.59 instead of \$65.39 per hour.

Repeat Finding from Prior Year(s): No

Effect:

There is an increased risk of non-compliance as the wrong hourly rates were charged to the program.

Cause:

The review process in place did not ensure the correct hourly rates were charged to the program.

Recommendation:

We recommend the County implement policies and procedures to ensure the correct hourly rates are being used for labor charges for each employee.

COUNTY OF SAN JOAQUIN, CALIFORNIA

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Views of Responsible Officials and Planned Corrective Actions:

Management agrees. See separate corrective action plan.

Finding 2019-020

Program: Airport Improvement Program (AIP)

CFDA No.: 20.106

Federal Agency: U.S. Department of Transportation

Passed-through: N/A

Award Year: 2018-2019

Compliance Requirement: Cash Management

Criteria:

Title 2 CFR Section 200.302(b)(6) and (7) of the Uniform Guidance requires all non-Federal entities to establish written procedures to implement the requirements of 2 CFR section 200.305 (Payment).

Condition Found:

Instance of Noncompliance – The Airport has not established written procedures to implement the cash management requirements of 2 CFR Section 200.305.

Questioned Costs:

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

Context/Sampling:

The condition noted above was identified during our procedures related to cash management for the AIP, which is subject to the *Uniform Guidance*.

Repeat Finding from Prior Year(s): No

Effect:

The Airport did not comply with the specific requirements for written procedures over cash management as described in the *Uniform Guidance*.

Cause:

The Airport did not ensure the required written procedures were developed and implemented in accordance with the *Uniform Guidance*.

COUNTY OF SAN JOAQUIN, CALIFORNIA

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Recommendation:

We recommend the Airport formalize written procedures to comply with cash management requirements of 2 *CFR Section 200.305*.

Views of Responsible Officials and Planned Corrective Actions:

Management agrees. See separate corrective action plan.

Finding 2019-021

Program: Airport Improvement Program (AIP)

CFDA No.: 20.106

Federal Agency: U.S. Department of Transportation

Passed-through: N/A

Award Year: 2018-2019

Compliance Requirement: Special Tests and Provisions – Revenue Diversion

Criteria:

The 2019 Compliance Supplement establishes that the basic requirement for use of airport revenues is that all revenues generated by a public airport must be expended for the capital or operating costs of the airport, the local airport system, or other local facilities which are owned or operated by the owner or operator of the airport and are directly and substantially related to the actual air transportation of passengers or property. Therefore, internal controls should be established by the Airport to ascertain the completeness of all airport-generated revenue.

Condition Found:

Significant Deficiency, Instance of Noncompliance – As part of the audit procedures, we obtained an understanding of the airport's revenue generating activities and revenue collection process and noted that the Airport did not have proper segregation of duties over the revenue collection process which could result in material misstatements of the airport's revenues as revenues could be prone to error or fraud. As a result, we were unable to ascertain the completeness of all airport-generated revenue.

Questioned Costs:

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

Context/Sampling:

During our observation of the internal controls over the Airport's cash receipt process, we identified that Airport Management has the ability to change rates (i.e. land and hanger fees, tie-down fees, etc.), void or make changes to payment transactions within Excel which is used for tracking and maintaining Airport revenue and billing. We also noted that Airport Management has access to cash, enters cash receipt entries and performs the revenue reconciliation.

COUNTY OF SAN JOAQUIN, CALIFORNIA

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Repeat Finding from Prior Year(s): No

Effect:

Revenues collected by the Airport may not be accurate or fully accounted for thus increasing the risk of noncompliance with the requirements of the program.

Cause:

The Airport did not have policies and procedures in place to ensure the changes made to the system are regularly reviewed and properly authorized as Airport Management could process rate changes or void transactions without being detected. Also, key functions of the cash receipt process were not properly segregated.

Recommendation:

We recommend that the Airport implement policies and procedures to ensure changes made to the system are regularly reviewed and properly authorized as anyone within Airport Management could process rate changes or void transactions without being detected. Also, we recommend that the receiving, recording and reconciling functions of the revenue collection process be properly segregated.

Views of Responsible Officials and Planned Corrective Actions:

Management agrees. See separate corrective action plan.

Finding 2019-022

Program: Airport Improvement Program (AIP)

CFDA No.: 20.106

Federal Agency: U.S. Department of Transportation

Passed-through: N/A

Award Year: 2018-2019

Compliance Requirement: Special Tests and Provisions – Wage Rate Requirements

Criteria:

The *2019 OMB Compliance Supplement* requires that the Airport notify contractors and subcontractors of the requirements to comply with the Wage Rate Requirements and obtain copies of certified payrolls.

Condition Found:

Material Weakness, Instances of Non-Compliance – As a result of our audit procedures over special tests and provisions – wage rate requirements, we noted the following:

- 2 of 2 contracts did not include provisions regarding wage rate requirements/prevaling wages.
- 1 of 7 certified payroll submissions had certified payroll submission dated 1/7/2020 for work performed the week of 7/28/2018.
- 7 of 7 certified payroll submissions did not have evidence of review by the Airport to ensure that it was properly submitted.

COUNTY OF SAN JOAQUIN, CALIFORNIA

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Questioned Costs:

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

Context/Sampling:

A nonstatistical sample of 2 contracts out of 2 total contracts were selected for the prevailing wage clause testing.

A nonstatistical sample of 7 certified payroll submissions out of 41 total certified payroll submissions were selected for prevailing wages testing.

As part of the audit procedures performed, we obtained an understanding of the airport's internal control and compliance with wage rate requirements and noted that the Airport did not have a process of review over submitted certified payroll reports and that the contractors and subcontractors were not notified of the requirements to comply with the wage rate requirements.

Repeat Finding from Prior Year(s): No

Effect:

Contractors and subcontractors may not be aware of the certified payroll submission requirements or may not submit the certified payroll timely, thus increasing the risk of Airport's noncompliance with the special test and provision wage rate requirements.

Cause:

The conditions are caused by the Airport not notifying contractors and subcontractors of the requirements to comply with the Wage Rate requirements.

Recommendation:

We recommend that the Airport include provisions regarding Wage Rate requirements into their contracts and require their contractors do the same for their subcontractors. We also recommend that the Airport implement policies and procedures to ensure that contractors and subcontractors are submitting certified payroll timely and appropriately.

Views of Responsible Officials and Planned Corrective Actions:

Management agrees. See separate corrective action plan.

COUNTY OF SAN JOAQUIN, CALIFORNIA

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Finding 2019-023

Program: Continuum of Care

CFDA No. 14.267

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

Pass-through: N/A

Award Year: 2018-2019

Compliance Requirement: Matching, Earmarking

Criteria:

Per 2 CFR section 200.303(a), *Internal Controls*, the non-Federal entity must establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.

Per the *2019 OMB Compliance Supplement*, the recipient or subrecipient must match all grant funds with no less than 25 percent of cash or in-kind contributions from other sources, except for leasing funds.

Per *2019 OMB Compliance Supplement*, no more than 10 percent of any grant awarded may be used for paying the costs of administering the assistance. Administrative costs include the costs associated with general management, oversight, and coordination, training on the program requirements, and environmental review.

Condition Found:

Material Weakness, Material Instance of Noncompliance – As a result of our audit procedures, we noted the following:

- Matching Compliance Requirement:
 - o The County did not have policies and procedures in place to ensure compliance with the requirement that the recipient or subrecipient must match all grant funds with no less than 25 percent of cash or in-kind contributions from other sources, except for leasing funds.
- Earmarking Compliance Requirement:
 - o The County did not have policies and procedures in place to ensure compliance with the requirement that no more than 10 percent of any grant awarded may be used for paying the costs of administering the assistance.
- Subrecipient's claims:
 - o The County did not have policies and procedures in place to ensure the claims submitted by the subrecipients were properly supported by supporting documentation (i.e. invoices, check copies, etc.).

Questioned Costs:

We noted known questioned costs of \$1,506,878.

COUNTY OF SAN JOAQUIN, CALIFORNIA

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Context/ Sampling:

A nonstatistical sample of 22 reimbursements out of 139 total reimbursements were selected for testing, which accounted for \$1,506,878 of the \$4,283,905 of federal program expenditures.

We noted that \$3,851,667 of total program expenditures of \$4,283,905 passed-through to one of the two subrecipients were not properly verified as the underlying support provided by the subrecipient were excel spreadsheets from the subrecipient's system ledger. As a result, the County did not have the information necessary to ensure compliance with the matching compliance requirement. In addition, we noted 17 of 22 drawdowns tested in which the County did not obtain sufficient underlying documentation from the subrecipient to ensure compliance with the earmarking compliance requirement. We also noted 4 of the 22 drawdowns tested had administrative costs that were erroneously categorized as operating costs during the claims process.

Repeat Finding from Prior Year(s): No

Effect:

As the appropriate underlying documentations of program expenditures were not obtained or available, the program expenditures could not be verified, and thus may result in noncompliance with program requirements.

Cause:

The County did not implement policies and procedures to ensure compliance with program requirements.

Recommendation:

We recommend that the County implement policies and procedures to ensure compliance with the program's matching and earmarking requirements. We also recommend that the County implement policies and procedures to ensure proper supporting documentations are obtained from its subrecipients and that the claims are critically reviewed for accuracy and reasonableness.

Views of Responsible Officials and Planned Corrective Actions:

Management agrees. See separate corrective action plan.

COUNTY OF SAN JOAQUIN, CALIFORNIA

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Finding 2019-024

Program: Continuum of Care

CFDA No. 14.267

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

Pass-through: N/A

Award Year: 2018-2019

Compliance Requirement: Special Tests and Provisions – Reasonable Rental Rates

Criteria:

Per *2019 OMB Compliance Supplement*, where grants are used to pay for rent for all or a part of a structure, the rent paid must be reasonable in relation to rents being charged in the area for comparable space. In addition, the rent may not exceed rents currently being charged by the same owner for comparable unassisted space (24 CFR section 578.49(b)(1)).

Where grants are used to pay rent for individual housing units, the rent paid must be reasonable in relation to rents being charged for comparable units taking into account relevant features. In addition, the rents may not exceed rents currently being charged by the same owner for comparable unassisted units, and the portion of rents paid with grant funds may not exceed HUD-determined fair market rents. Grant funds in an amount up to one month's rent may be used to pay the non-recipient landlord for any damages to leased units by homeless participants (24 CFR sections 578.49(b)(2) and 578.51(g) and (j)).

Condition Found:

Material Weakness, Material Instance of Non-Compliance – As a result of our procedures performed, we noted that the County did not have policies and procedures in place to ensure compliance with the Special Tests and Provisions – Reasonable Rental Rates requirement. Also, the County did not have policies and procedures in place to ensure the claims submitted by the subrecipients were properly supported by supporting documentation.

Questioned Costs:

We noted known questioned costs of \$1,040,572

Context/ Sampling:

A nonstatistical sample of 22 reimbursements out of 139 total reimbursements were selected for testing, which accounted for \$1,506,878 of the \$4,283,905 of federal program expenditures.

Through inquiry and testing, we noted that the County did not have policies and procedures in place to ensure its subrecipients establish reasonableness of rents being charged. The County did not review rental records to ensure contract rents being paid are comparable with those paid for unassisted units, no more than one month's rent is paid for tenant damages and that the portion of rents paid with grant funds do not exceed fair market rents. In addition, the claims submitted by the subrecipients did not contain proper underlying documentation to support any of the rent amounts being paid.

Repeat Finding from Prior Year(s): No

COUNTY OF SAN JOAQUIN, CALIFORNIA

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Effect:

Program expenditures related to rents paid may be reported and claimed in inaccurate amount which could result in noncompliance with the program's requirement.

Cause:

The County did not implement policies and procedures to ensure compliance with program requirements.

Recommendation:

We recommend that the County implement policies and procedures to ensure compliance with the program's Special Tests and Provisions -- Reasonable Rental Rates requirement. We also recommend that the County implement policies and procedures to ensure proper supporting documentations are obtained from its subrecipients.

Views of Responsible Officials and Planned Corrective Actions:

Management agrees. See separate corrective action plan.

COUNTY OF SAN JOAQUIN, CALIFORNIA

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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
2018-001	Property Tax Assessment Valuation Changes	N/A	N/A	Not Implemented - See Finding 2019-001.
2018-002	Property Tax Roll Corrections	N/A	N/A	Implemented
2018-003	Property Tax Roll Corrections Initiated by the Auditor-Controller Property Tax Division	N/A	N/A	Not Implemented - See Finding 2019-002.
2018-004	Segregation of Initiation and Approval of Treasury Deposit Receipts	N/A	N/A	Not Implemented - See Finding 2019-003.
2018-005	Approval of Treasury Deposit Receipts Outside of Treasury Department	N/A	N/A	Implemented
2018-006	Reconciliation of Solid Waste Landfill Gate Revenues	N/A	N/A	Implemented
2018-007	Posting of Journal Entries to Financial Accounting System	N/A	N/A	Not Implemented - See Finding 2019-006.
2018-008	Timecard Approvals	N/A	N/A	Implemented
2018-009	General Hospital - Timely Preparation and Issuance of the Annual Financial Statements	N/A	N/A	Implemented
2018-010	Schedule of Expenditures of Federal Awards (SEFA)	N/A	N/A	Not Implemented - See Finding 2019-014.
2018-011	Medicaid Cluster	93.778	Eligibility	Not Implemented - See Finding 2019-015.
2018-012	Temporary Assistance for Needy Families (TANF Cluster)	93.558	Allowable Costs/Cost Principles/Eligibility	Implemented
2018-013	Temporary Assistance for Needy Families (TANF Cluster)	93.558	Subrecipient Monitoring	Implemented
2018-014	Temporary Assistance for Needy Families (TANF Cluster)	93.558	Special Tests and Provisions - Child Support Non-Cooperation	Implemented
2018-015	Adoption Assistance	93.659	Eligibility	Not Implemented - See Finding 2019-016.

COUNTY OF SAN JOAQUIN, CALIFORNIA

**SUPPLEMENTAL SCHEDULE OF OFFICE OF CALIFORNIA
STATE DEPARTMENT OF AGING
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Federal Program Title	CFDA	Contract No.	Federal Expenditures	State Expenditures
Senior Community Service Employment Program - Title V	17.235	TV-1819-11	\$ 84,043	\$ -
Special Programs for the Aging - Title VII, Chapter 3 (VII-B) Programs for Prevention of Elder Abuse, Neglect, and Exploitation	93.041	AP-1819-11	3,066	-
Special Programs for the Aging - Title VII, Chapter 3 (VII-B) Programs for Prevention of Elder Abuse, Neglect, and Exploitation	93.041	AP-1819-11	6,156	-
Special Programs for the Aging - Title VII, Chapter 2 (VII-A) Long Term Care Ombudsman Services for Older Individuals	93.042	AP-1819-11	13,675	-
Special Programs for the Aging - Title VII, Chapter 2 (VII-A) Long Term Care Ombudsman Services for Older Individuals	93.042	AP-1819-11	25,901	-
Special Programs for the Aging - Title III, Part D Disease Prevention and Health Promotion Services	93.043	AP-1819-11	8,990	-
Special Programs for the Aging - Title III, Part D Disease Prevention and Health Promotion Services	93.043	AP-1819-11	24,545	-
Special Programs for the Aging - Title III, Part B Grants for Supportive Services and Senior Centers	93.044	AP-1819-11	272,497	18,880
Special Programs for the Aging - Title III, Part B Grants for Supportive Services and Senior Centers	93.044	AP-1819-11	502,462	56,639
Special Programs for the Aging - Title III, Part C Nutrition Services	93.045	AP-1819-11	226,369	15,546
Special Programs for the Aging - Title III, Part C Nutrition Services	93.045	AP-1819-11	532,982	46,638
Special Programs for the Aging - Title III, Part C Nutrition Services	93.045	AP-1819-11	189,807	15,835
Special Programs for the Aging - Title III, Part C Nutrition Services	93.045	AP-1819-11	320,823	56,702
Special Programs for the Aging - Title III, Part E National Family Caregiver Support	93.052	AP-1819-11	137,550	-
Special Programs for the Aging - Title III, Part E National Family Caregiver Support	93.052	AP-1819-11	207,924	-
Nutrition Services Incentive Program	93.053	AP-1819-11	50,370	-
Nutrition Services Incentive Program	93.053	AP-1819-11	134,856	-
Public Health L&C Program Fund		AP-1819-11	-	4,913
State Health Facilities Citation Penalties Account		AP-1819-11	-	19,682
Community Based Services Program/SNF Quality & Accountability		AP-1819-11	-	23,339
			<u>\$ 2,742,016</u>	<u>\$ 258,174</u>

COUNTY OF SAN JOAQUIN, CALIFORNIA

**SUPPLEMENTAL SCHEDULE OF CALIFORNIA DEPARTMENT
OF COMMUNITY SERVICES AND DEVELOPMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

SAN JOAQUIN COUNTY DEPARTMENT OF AGING AND COMMUNITY SERVICES
SUPPLEMENTAL STATEMENT OF REVENUE AND EXPENDITURES (SSRE)
CSD CONTRACT NO. 18F-5038 (CSBG)
CONTRACT PERIOD JANUARY 1, 2018 THROUGH MAY 31, 2019

	January 1, 2018 through June 30, 2018	July 1, 2018 through May 31, 2019	Total Audited Costs	Total Reported Expenses	Total Budget
REVENUE					
Grant Revenue	\$ 418,058	\$ 568,204	\$ 986,262		\$ 986,262
Interest Income	-	-	-		-
Accrued Grant Revenue	228,016	(228,016)	-		-
Other Income	-	-	-		-
Other Income-County General Fund Support	178,173	481,985	660,158		-
Total Revenue:	824,247	822,173	1,646,420		986,262
EXPENDITURES					
Administrative Costs - CSBG					
Salaries & Wages	35,573	46,914	82,487	49,039	45,851
Fringe Benefits	27,154	37,171	64,325	33,028	33,870
Operating Expenses	7,882	4,841	12,723	8,759	12,083
Equipment	424	(424)	-	-	-
Out-of-State Travel	-	-	-	-	-
Contract/Consultant Services	-	-	-	-	-
Other Costs	27,526	27,077	54,603	27,526	26,548
Total Administrative Costs:	98,559	115,579	214,138	118,352	118,352
Program Costs - CSBG					
Salaries & Wages	312,798	316,913	629,711	425,819	444,491
Fringe Benefits	195,047	209,347	404,394	246,010	236,776
Operating Expenses	209,190	177,951	387,141	191,038	181,601
Equipment	3,610	(3,610)	-	-	-
Out-of-State Travel	-	-	-	-	-
Subcontractor/Consultant Services	-	-	-	-	-
Other Costs	5,043	5,993	11,036	5,043	5,042
Total Program Costs:	725,688	706,594	1,432,282	867,910	867,910
Total CSBG Expenses:	\$ 824,247	\$ 822,173	\$ 1,646,420	\$ 986,262	\$ 986,262

COUNTY OF SAN JOAQUIN, CALIFORNIA

**SUPPLEMENTAL SCHEDULE OF CALIFORNIA DEPARTMENT
OF COMMUNITY SERVICES AND DEVELOPMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

SAN JOAQUIN COUNTY DEPARTMENT OF AGING AND COMMUNITY SERVICES
SUPPLEMENTAL STATEMENT OF REVENUE AND EXPENDITURES (SSRE)
CSD CONTRACT NO. 18F-5038 (CSBG Discretionary)
CONTRACT PERIOD JANUARY 1, 2018 THROUGH MAY 31, 2019

	January 1, 2018 through June 30, 2018	July 1, 2018 through May 31, 2019	Total Audited Costs	Total Reported Expenses	Total Budget
REVENUE					
Grant Revenue	\$ -	\$ 20,817	\$ 20,817		\$ 35,000
Interest Income	-	-	-		-
Accrued Grant Revenue	-	12,425	12,425		-
Other Income	-	-	-		-
Other Income-County General Fund Support	-	139	139		-
Total Revenue:	-	33,381	33,381		35,000
EXPENDITURES					
Administrative Costs - CSBG Discretionary					
Salaries & Wages	-	51	51	51	2,271
Fringe Benefits	-	48	48	48	1,541
Operating Expenses	-	4	4	-	-
Equipment	-	-	-	-	-
Out-of-State Travel	-	-	-	-	-
Contract/Consultant Services	-	-	-	-	-
Other Costs	-	-	-	-	59
Total Administrative Costs:	-	103	103	99	3,871
Program Costs - CSBG Discretionary					
Salaries & Wages	-	3,022	3,022	3,028	2,094
Fringe Benefits	-	2,178	2,178	2,173	1,415
Operating Expenses	-	28,078	28,078	27,942	27,582
Equipment	-	-	-	-	-
Out-of-State Travel	-	-	-	-	-
Subcontractor/Consultant Services	-	-	-	-	-
Other Costs	-	-	-	-	38
Total Program Costs:	-	33,278	33,278	33,143	31,129
Total Expenses:	\$ -	\$ 33,381	\$ 33,381	\$ 33,242	\$ 35,000

COUNTY OF SAN JOAQUIN, CALIFORNIA

**SUPPLEMENTAL SCHEDULE OF CALIFORNIA DEPARTMENT
OF COMMUNITY SERVICES AND DEVELOPMENT (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

SAN JOAQUIN COUNTY DEPARTMENT OF AGING AND COMMUNITY SERVICES
SUPPLEMENTAL STATEMENT OF REVENUE AND EXPENDITURES (SSRE)
CSD CONTRACT NO. 18B-4033 (EHA16)
CONTRACT PERIOD OCTOBER 1, 2017 THROUGH JULY 31, 2019

	October 1, 2017 through June 30, 2018	July 1, 2018 through June 30, 2019	Total Audited Costs	Total Reported Expenses	Budget Maximums
REVENUE					
Grant Revenue	\$ 382,297	\$ 506,567	\$ 888,864		\$ 888,864
Interest Income	-	-	-		-
Other Income	-	-	-		-
Other Income-County General Fund Support	37,880	153,445	191,325		-
Accrued Grant Revenue	109,246	(109,246)	-		-
Deferred Revenue Earned	-	-	-		-
Deferred Grant Revenue	-	-	-		-
Total Revenue:	529,423	550,766	1,080,189		888,864
EXPENDITURES					
Assurance 16 Costs					
Assurance 16 Costs	116,671	164,652	281,323	240,270	281,710
Administrative Costs					
Administrative Costs	209,291	172,877	382,168	281,710	281,710
Administrative Equipment (More than \$5,000)	-	-	-	-	-
Out-of-State Travel	-	-	-	-	-
Total A-16/Administration Costs:	325,962	337,529	663,491	521,980	563,420
Program Costs (ECIP & HEAP)					
Intake	136,831	125,690	262,521	229,120	261,570
Outreach	15,016	32,566	47,582	38,871	60,174
Training & Technical Assistance	3,576	61	3,637	3,637	3,700
Out-of-State Travel	-	-	-	-	-
Total Program Costs:	155,423	158,317	313,740	271,628	325,444
Program Services and Program Costs					
Major Vehicle & Equipment (More than \$5,000)	-	-	-	-	-
Minor Vehicle & Equipment (Less than \$5,000)	-	-	-	-	-
Liability Insurance	2,469	-	2,469	2,469	-
General Operating Expenditures	5,824	5,554	11,378	8,534	-
Automation Supplemental	11,369	15,605	26,974	23,947	-
ECIP Emergency Heating & Cooling Services (EHCS)	7,149	2,914	10,063	10,037	-
Severe Weather Energy Assist. & Trans. Svcs (SWEATS)	-	-	-	-	-
Wood, Propane, and Oil (ECIP & HEAP WPO)	11,000	2,000	13,000	13,000	-
Other Program Costs (Workers Comp & Program Mgmt & Support)	10,227	28,847	39,074	37,269	-
Total Program Services Costs:	48,038	54,920	102,958	95,256	-
Total Expenses:	\$ 529,423	\$ 550,766	\$ 1,080,189	\$ 888,864	\$ 888,864

COUNTY OF SAN JOAQUIN, CALIFORNIA

**SUPPLEMENTAL SCHEDULE OF CALIFORNIA DEPARTMENT
OF COMMUNITY SERVICES AND DEVELOPMENT (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

SAN JOAQUIN COUNTY DEPARTMENT OF AGING AND COMMUNITY SERVICES
SUPPLEMENTAL STATEMENT OF REVENUE AND EXPENDITURES (SSRE)
CSD CONTRACT NO. 18B-4033 (WX)
CONTRACT PERIOD OCTOBER 1, 2017 THROUGH JULY 31, 2019

	October 1, 2017 through June 30, 2018	July 1, 2018 through June 30, 2019	Total Audited Costs	Total Reported Expenses	Budget Maximums
REVENUE					
Grant Revenue	\$ 683,180	\$ 823,191	\$ 1,506,371		\$ 1,506,371
Interest Income	3,074	19,596	22,670		
Other Income - Sale of Vehicle	-	1,724	1,724		
Other Income-County General Fund Support	47,346	(31,967)	15,379		
Accrued Grant Revenue	146,878	(146,878)	-		
Deferred Revenue Earned	-	-	-		
Deferred Grant Revenue	-	-	-		
Total Revenue:	880,478	665,666	1,546,144		1,506,371
EXPENDITURES					
Weatherization Program Costs					
Intake	22,576	13,087	35,663	35,631	120,510
Outreach	27,513	31,669	59,182	54,485	75,319
Training & Technical Assistance	14,526	1,613	16,139	16,139	75,319
Out-of-State Travel	-	-	-	-	-
Major Vehicle and Field Equipment (More than \$5,000)	-	-	-	-	-
Minor Vehicle and Field Equipment (Less than \$5,000)	-	1,201	1,201	1,201	-
Liability Insurance	2,441	-	2,441	2,441	-
General Operating Expenditures	47,245	29,087	76,332	71,444	-
Total Program Costs:	114,301	76,657	190,958	181,341	271,148
Weatherization Direct Program Costs					
Direct Program Activities	596,369	495,715	1,092,084	1,071,826	1,235,223
Other Program Costs	169,808	93,294	263,102	253,204	
Total Expenses:	\$ 880,478	\$ 665,666	\$ 1,546,144	\$ 1,506,371	\$ 1,506,371



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 Rolleri

COUNTY OF SAN JOAQUIN, CALIFORNIA

Corrective Action Plan

Year ended June 30, 2019

Compiled by: Jeffery Woltkamp, Assistant Auditor-Controller

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COUNTY OF SAN JOAQUIN, CALIFORNIA

Corrective Action Plan
Year ended June 30, 2019

I. FINANCIAL STATEMENT FINDINGS

Finding 2019-001

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 the Megabyte Property Tax system (Megabyte). Currently, Megabyte is unable to date, time, stamp this level of review inside the system. 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 imaging system. The department continues to explore other Laserfiche options to further aid in efficiently capturing and retaining information.

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:	Ongoing

Finding 2019-002

**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 will continue to pursue working with Megabyte 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:	Ongoing

COUNTY OF SAN JOAQUIN, CALIFORNIA

Corrective Action Plan
Year ended June 30, 2019

Finding 2019-003

SEGREGATION OF INITIATION AND APPROVAL OF TREASURY DEPOSIT RECEIPTS

Management's or Department's Response:

We concur.

Views of Responsible Officials and Corrective Action:

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 the PeopleSoft system at the landfill sites. Although the deposit entries for the Solid Waste division may be input by Treasury staff, monthly activity reports published by the Auditor-Controller's office provide a mechanism for Solid Waste staff to verify deposit amounts. The Treasurer's office continues 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: Ongoing

Finding 2019-004

AIRPORT CASH HANDLING

Management's or Department's Response:

We concur.

Views of Responsible Officials and Corrective Action:

Stockton Metropolitan Airport will develop a written policy outlining the procedure for proper handling and recording of cash.

Name of Responsible Person: Russell Stark, Airport Director

Name of Department Contact: Jefferson Marcia, Accountant II

Projected Implementation Date: May 2020

COUNTY OF SAN JOAQUIN, CALIFORNIA

Corrective Action Plan
Year ended June 30, 2019

Finding 2019-005

AIRPORT RECEIPTING PROCESS

Management's or Department's Response:

We concur.

Views of Responsible Officials and Corrective Action:

Stockton Metropolitan Airport will develop a written policy segregating the duties associated with the receipting recording, billing and tracking of the various functions regarding the cash receipts.

Name of Responsible Person: Russell Stark, Airport Director

Name of Department Contact: Jefferson Marcia, Accountant II

Projected Implementation Date: May 2020

Finding 2019-006

POSTING OF JOURNAL ENTRIES TO FINANCIAL ACCOUNTING SYSTEM

Management's or Department's Response:

We concur.

Views of Responsible Officials and Corrective Action:

While the County agrees that these four individuals have the ability to initiate and approve the same journal entry, the frequency of such instances is limited. All journal entries that require initiation by Auditor-Controller staff are 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: Ongoing

COUNTY OF SAN JOAQUIN, CALIFORNIA

Corrective Action Plan
Year ended June 30, 2019

Finding 2019-007

CASH DISBURSEMENT PROCESSES

Management's or Department's Response:

We concur.

Views of Responsible Officials and Corrective Action:

The County allows these two individuals to have the ability to create vendors, create/post accounts payable, and print checks which are not subject to separate review by a separate individual, as a remedy for emergency payments only, referred to as "express checks". These emergency situations are infrequent. The PeopleSoft system provides identifying information for every step in the accounts payable process. These identifiers allow for independent review. The Auditor's office also keeps a detailed log all express checks issued. These logs are subject to review by staff.

Name of Responsible Person: Jeffery Woltkamp, Assistant Auditor-Controller

Name of Department Contact: Jeffery Woltkamp, Assistant Auditor-Controller

Projected Implementation Date: Ongoing

Finding 2019-008

REVENUE RECOGNITION

Management's or Department's Response:

We concur.

Views of Responsible Officials and Corrective Action:

While the County agrees that an amount was improperly recorded as unearned revenue at year-end, the County believes this was more a matter of miscoding specific revenues to the proper account than a lack of analysis. The recording error was isolated to a particular fund and was immediately corrected for future recording and analysis. The County will continue to analyze recorded year-end balances of unearned revenues for proper recording.

Name of Responsible Person: Jeffery Woltkamp, Assistant Auditor-Controller

Name of Department Contact: Jeffery Woltkamp, Assistant Auditor-Controller

Projected Implementation Date: December 2019

COUNTY OF SAN JOAQUIN, CALIFORNIA

Corrective Action Plan
Year ended June 30, 2019

Finding 2019-009

OTHER POST EMPLOYMENT BENEFITS (OPEB) LIABILITY

Management's or Department's Response:

We concur.

Views of Responsible Officials and Corrective Action:

The County will work with both San Joaquin County Employees' Retirement Association (SJCERA) and Cheiron (Actuary) to establish procedures to ensure the member data reported by the Actuary agrees to County records.

Name of Responsible Person: Jeffery Woltkamp, Assistant Auditor-Controller

Name of Department Contact: Jeffery Woltkamp, Assistant Auditor-Controller

Projected Implementation Date: December 2019

Finding 2019-010

UNTIMELY RECONCILIATIONS FOR CASH AMOUNTS HELD BY THE COUNTY - HOSPITAL

Management's or Department's Response:

We concur.

Views of Responsible Officials and Corrective Action:

The Hospital is in the process of implementing procedures in coordination with the County to reconcile timely on a monthly basis. Additionally, the Hospital has implemented internal review by someone other than the preparer over these reconciliations.

Name of Responsible Person: Chief Financial Officer

Name of Department Contact: Deputy Director of Finance

Projected Implementation Date: April 1, 2020

COUNTY OF SAN JOAQUIN, CALIFORNIA

Corrective Action Plan
Year ended June 30, 2019

Finding 2019-011

BALANCE SHEET RECONCILIATION AND THIRD PARTY SETTLEMENTS - HOSPITAL

Management's or Department's Response:

We concur.

Views of Responsible Officials and Corrective Action:

Current management within the Hospital recognizes the need for improvement over internal controls regarding analysis and reconciliation of balance sheet accounts. During FYE2019, there were many changes in processes and procedures due to:

- Multiple changes in leadership
 - 3 Chief Financial Officers
 - 2 Deputy Directors of Finance
- Continued review of workflows and processes around Cerner System (implemented March 2018) and PeopleSoft System (updated in 2018) which resulted in changes from previous legacy systems.
- Continued reliance on third-party consultants for their expertise in reimbursement estimates and expected funding from governmental agencies and public financing programs.

Hospital Management has implemented a higher level of oversight from balance sheet reconciliations and estimates provided by third-party consultants. Additionally, management is in the process of identifying key personnel to train to limit the reliance on third-party consultants.

Name of Responsible Person:	Chief Financial Officer
Name of Department Contact:	Deputy Director of Finance
Projected Implementation Date:	April 1, 2020

Finding 2019-012

COLLECTION OF PATIENT RESPONSIBILITY FORMS - HOSPITAL

Management's or Department's Response:

We concur.

Views of Responsible Officials and Corrective Action:

Hospital management does have procedures in place to collect Patient Responsibility forms. There are situations when intake personnel are unable to obtain forms due to the medical condition or social factors of the patient. Management recognizes the need to reinforce the procedure and archiving of forms by re-educating staff. FQHC management will develop and enforce similar policies and procedures in their environment in order to collect Patient Responsibility forms consistently and have them properly archived.

COUNTY OF SAN JOAQUIN, CALIFORNIA

Corrective Action Plan
Year ended June 30, 2019

Name of Responsible Person: Hospital Chief Financial Officer and FQHC Chief Financial Officer

Name of Department Contact: Deputy Director of Patient Financial Services

Projected Implementation Date: Hospital – Currently in place; FQHC – April 1, 2020

Finding 2019-013

RECORDING (VALUATION) AND SAFEGUARDING OF INVENTORY - HOSPITAL

Management's or Department's Response:

We concur.

Views of Responsible Officials and Corrective Action:

Physical inventory for the Operating Room was not expensed from the balance sheet account when the inventory process transitioned to PAR level accounting in March 2018. The process of expensing directly to the requisitioning department upon order fulfillment is in place. Cycle counting of inventory has been implemented to identify expired product and increase accuracy of inventory levels and value, rather than rely on the previous method of periodic inventory at year-end.

Subsequent to the identification of access to the system by multiple warehouse personnel, Hospital management limited system access to key inventory personnel only.

Name of Responsible Person: Chief Financial Officer

Name of Department Contact: Manager of Materials Management

Projected Implementation Date: September 1, 2019

Finding 2019-014

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (SEFA)

Management's or Department's Response:

We concur.

Views of Responsible Officials and Corrective Action:

Stockton Metropolitan Airport will correct this finding and properly document expenditures with AIP grants.

Name of Responsible Person: Russell Stark, Airport Director

Name of Department Contact: Jefferson Marcia, Accountant II

Projected Implementation Date: May 2020

COUNTY OF SAN JOAQUIN, CALIFORNIA

Corrective Action Plan
Year ended June 30, 2019

II. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Finding 2019-015

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: 2018-2019

Compliance Requirement: Eligibility

Management's or Department's Response:

We concur.

Views of Responsible Officials and Corrective Action:

Medicaid Cluster – Medical Assistance Program

County staff were issued Update 19-10, Medi-Cal: Annual Redetermination Signature Requirements, which clarifies that Redetermination forms must be returned and include a signature to be considered complete. This publication was made available to staff on February 5, 2019 via email and the County intranet site.

Medical Cluster – In-Home Supportive Services (IHSS)

The County has recently implemented a new “floater” position to assist in maintaining compliance when social workers are out on extended medical leaves. Overtime is currently being used to improve redetermination backlog and three additional Social Worker positions are requested in the 2020-2021 budget. The County may also utilize part time Social Workers to ensure compliance with the 12-month requirement

Name of Responsible Person:

Medicaid Cluster – Medical Assistance Program: Aaron Moreno,
Policies & Procedures Staff Analyst

Medical Cluster – In-Home Supportive Services (IHSS): Renee
Smith, IHSS Program Manager

Name of Department Contact:

Medicaid Cluster – Medical Assistance Program: Aaron Moreno,
Policies & Procedures Staff Analyst

Medical Cluster – In-Home Supportive Services (IHSS): Renee
Smith, IHSS Program Manager

Projected Implementation Date:

Medicaid Cluster – Medical Assistance Program: February 2019
Medical Cluster – In-Home Supportive Services (IHSS): January
2020 – floater position/Hiring additional Social Workers – August
2020

COUNTY OF SAN JOAQUIN, CALIFORNIA

Corrective Action Plan
Year ended June 30, 2019

Finding 2019-016

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: 2018-2019

Compliance Requirement: Activities Allowed or Unallowed, Allowable Costs/Cost Principles and Eligibility

Management's or Department's Response:

We concur.

Views of Responsible Officials and Corrective Action:

Beginning in 2014, all new Adoption Assistance (AAP) cases are reviewed to ensure the FC8 is included in the case record. Beginning late 2018, all AAP cases are reviewed at reassessment to ensure the FC8 is included in the case record. Additionally, the Eligibility Supervisor assigned to the Foster Care (FC)/AAP unit will begin reviewing 10% (approximately 330) of the active AAP cases when the annual Cost of Living Adjustment (COLA) is processed to ensure accuracy. AAP COLAs are currently processed manually – with the implementation of CalSAWS, this process will be automated and thus greatly reducing potential errors regarding COLAs and claiming codes.

Name of Responsible Person: Frank Hernandez, FC and AAP Eligibility Supervisor

Name of Department Contact: Frank Hernandez, FC and AAP Eligibility Supervisor

Projected Implementation Date: Reviewing for FC8 at reassessment was implemented in late 2018. FC/AAP unit will begin 10% review process at the next scheduled COLA, projected to begin August 2020.

Finding 2019-017

Program: Supplemental Nutrition Assistance Program (SNAP)

CFDA No.: 10.561

Federal Agency: U.S. Department of Agriculture

Passed-through: California Department of Social Services

Award Year: 2018-2019

Compliance Requirement: Special Tests and Provisions – Automated Data Processing (ADP) Systems for SNAP

Management's or Department's Response:

We concur.

Views of Responsible Officials and Corrective Action:

The County will issue a publication to staff reviewing the importance of not changing the CalFresh (CF) certification period when completing a restoration of aid. The above publication will also include a reminder to ensure that all SAR 7s must be imaged to the case record.

COUNTY OF SAN JOAQUIN, CALIFORNIA

Corrective Action Plan
Year ended June 30, 2019

Name of Responsible Person: Melissa Mullin, Policies & Procedures Staff Analyst
Name of Department Contact: Melissa Mullin, Policies & Procedures Staff Analyst
Projected Implementation Date: May 2020

Finding 2019-018

Program: Supplemental Nutrition Assistance Program (SNAP)
CFDA No.: 10.561
Federal Agency: U.S. Department of Agriculture
Passed-through: California Department of Social Services
Award Year: 2018-2019
Compliance Requirement: Subrecipient Monitoring

Management's or Department's Response:

We concur.

Views of Responsible Officials and Corrective Action:

The contract was issued prior to completion of the Sub-recipient Monitoring Plan. Monitoring was in place for new sub-recipient awards beginning on or after October 1, 2018. The Sub-Recipient Monitoring Plan includes both pre and post award requirements for sub-recipients. One of the requirements is an exhibit that is attached to the contract that includes all elements required by 2 CFR 200.331(a). The plan also includes a comprehensive risk assessment of potential sub-recipients that includes review by both program and administrative staff.

Name of Responsible Person: Bruce Cosby, Management Analyst III
Name of Department Contact: Bruce Cosby, Management Analyst III
Projected Implementation Date: October 2018

Finding 2019-019

Program: Highway, Planning, and Construction Cluster
CFDA No.: 20.205
Federal Agency: United States Department of Transportation
Passed-through: California Department of Transportation
Award Year: 2018-2019
Compliance Requirement: Activities Allowed or Unallowed and Allowable Costs/Cost Principles

Management's or Department's Response:

We concur.

Views of Responsible Officials and Corrective Action:

COUNTY OF SAN JOAQUIN, CALIFORNIA

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Year ended June 30, 2019

Once applied rates are entered, a report will be run displaying applied rates for each employee creating an easy matching entry with the calculated applied rates spreadsheet in excel. Every adjustment to the employee's file for rate adjustment will be followed up with an applied rate check and balance once payroll is posted. The Department Payroll processor will track these changes. Once posting for the adjusted period is made, the accountant will run a report and check that the rate is calculating in the system correctly. In the event there is a difference, the rates will be researched.

Name of Responsible Person: Dionna Pancoast, Accounting Manager
Name of Department Contact: Melinda Speer, Accountant II
Projected Implementation Date: March 2020

Finding 2019-020

Program: Airport Improvement Program (AIP)
CFDA No.: 20.106
Federal Agency: U.S. Department of Transportation
Passed-through: N/A
Award Year: 2018-2019
Compliance Requirement: Cash Management

Management's or Department's Response:

We concur.

Views of Responsible Officials and Corrective Action:

Stockton Metropolitan Airport will develop written procedures for the cash management associated with AIP projects.

Name of Responsible Person: Russell Stark, Airport Director
Name of Department Contact: Jefferson Marcia, Accountant II
Projected Implementation Date: May 2020

Finding 2019-021

Program: Airport Improvement Program (AIP)
CFDA No.: 20.106
Federal Agency: U.S. Department of Transportation
Passed-through: N/A
Award Year: 2018-2019
Compliance Requirement: Special Tests and Provisions – Revenue Diversion

Management's or Department's Response:

COUNTY OF SAN JOAQUIN, CALIFORNIA

Corrective Action Plan
Year ended June 30, 2019

We concur.

Views of Responsible Officials and Corrective Action:

Stockton Metropolitan Airport will put in place a written policy and develop a procedure to review any changes made and the segregation of functions associated with this finding.

Name of Responsible Person: Russell Stark, Airport Director

Name of Department Contact: Jefferson Marcia, Accountant II

Projected Implementation Date: May 2020

Finding 2019-022

Program: Airport Improvement Program (AIP)

CFDA No.: 20.106

Federal Agency: U.S. Department of Transportation

Passed-through: N/A

Award Year: 2018-2019

Compliance Requirement: Special Tests and Provisions – Wage Rate Requirements

Management's or Department's Response:

We concur.

Views of Responsible Officials and Corrective Action:

Stockton Metropolitan Airport will establish a procedure to ensure contractors are reporting their wage rate requirements properly.

Name of Responsible Person: Russell Stark, Airport Director

Name of Department Contact: Jefferson Marcia, Accountant II

Projected Implementation Date: May 2020

Finding 2019-023

Program: Continuum of Care

CFDA No. 14.267

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

Pass-through: N/A

Award Year: 2018-2019

Compliance Requirement: Matching, Earmarking

Management's or Department's Response:

COUNTY OF SAN JOAQUIN, CALIFORNIA

Corrective Action Plan
Year ended June 30, 2019

We concur.

Views of Responsible Officials and Corrective Action:

Matching Compliance Requirement

The County has taken action and implemented an invoice form on July 1, 2019, to be used by the subrecipients when submitting an invoice. This invoice tracks matching funds required by the subrecipients. The County will improve the current written policies and procedures to ensure matching compliance requirements and to ensure proper supporting documentation is obtained from the subrecipients.

Earmarking Compliance Requirement

The County does review the subrecipient's invoices to determine that no more than ten percent of any grant awarded is used for paying the costs of administering the assistance. The County utilizes a spreadsheet in conjunction with available administrative funds indicated in the Electronic Line of Credit Control System (eLOCCS) to ensure compliance. The County acknowledges that while HUD has not questioned the County's earmarking of activities during prior monitoring, the determination made during the audit that certain costs need to be categorized as Administrative activities instead of Operating activities will be addressed in future subrecipient agreements. The County will improve the current written policies and procedures to ensure earmarking compliance requirements.

Subrecipient's Claims

The County does require the invoices submitted by the subrecipients to provide supporting documentation. In the case of Central Valley Low Income Housing Corporation (CVLIHC), because of the large number of clients that are continuing from month to month, the County has accepted a QuickBooks ledger to track previously vetted clients and allow CVLIHC to submit checks for verification of new clients only. The County, with HUD's approval, has monitored the subrecipients on an annual basis to ensure that all claims submitted have supportive documentation. The County will improve the current written policies and procedures to ensure proper supporting documentation is obtained from its subrecipients and that the claims are critically reviewed for accuracy and reasonableness.

Name of Responsible Person: Chris Becerra, Management Analyst III

Name of Department Contact: Chris Becerra, Management Analyst III

Projected Implementation Date: June 30, 2020

Finding 2019-024

Program: Continuum of Care

CFDA No. 14.267

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

Pass-through: N/A

Award Year: 2018-2019

Compliance Requirement: Special Tests and Provisions – Reasonable Rental Rates

Management's or Department's Response:

We concur.

Views of Responsible Officials and Corrective Action:

COUNTY OF SAN JOAQUIN, CALIFORNIA

Corrective Action Plan
Year ended June 30, 2019

The subrecipients perform a Reasonable Rent Rate Calculation as part of each client's file. The Reasonable Rental Rate Calculation documentation has typically been verified as part of the County's annual monitoring process. The County will improve the current written policies and procedures to ensure compliance with the program's Reasonable Rental Rate requirements. The County will also ensure that with every new client entering into the program, Reasonable Rental Rate documentation will be required with their rental agreement.

Name of Responsible Person: Chris Becerra, Management Analyst III

Name of Department Contact: Chris Becerra, Management Analyst III

Projected Implementation Date: June 30, 2020