

COUNTY OF CALAVERAS

SINGLE AUDIT REPORT

JUNE 30, 2009

COUNTY OF CALAVERAS

Single Audit Report
For the Year Ended June 30, 2009

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

Board of Supervisors and Grand Jury
County of Calaveras
San Andreas, California

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County of Calaveras as of and for the year ended June 30, 2009, which collectively comprise the County's financial statements and have issued our report thereon dated December 31, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County of Calaveras' internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph of this section and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or

Board of Supervisors and Grand Jury
County of Calaveras

Internal Control Over Financial Reporting (continued)

material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

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

We noted certain matters that we reported to management of County of Calaveras in a separate letter dated January 25, 2010.

This report is intended solely for the information and use of management, the Board of Supervisors, the Grand Jury, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than the specified parties.

Gallina LLP

Roseville, California
December 31, 2009



**REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Board of Supervisors and Grand Jury
County of Calaveras
San Andreas, California

Compliance

We have audited the compliance of the County of Calaveras (the County) with the types of compliance requirements described in *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2009. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the County's compliance with those requirements.

As described in item 09-SA-3 in the accompanying schedule of findings and questioned costs, the County of Calaveras did not comply with the requirements regarding eligibility that is applicable to its Adoption Assistance Program. Compliance with such requirements is necessary, in our opinion, for the County to comply with the requirements applicable to this program.

Board of Supervisors and Grand Jury
County of Calaveras

Internal Control Over Compliance

In our opinion, except for the noncompliance described in the preceding paragraph, the County of Calaveras complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as items 09-SA-1, 09-SA-2, and 09-SA-3.

The management of the County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133. 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 would not necessarily identify all deficiencies in the entity's internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies and others that we consider to be material weaknesses.

A *control deficiency* in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that non-compliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 09-SA-01, 09-SA-02, and 09-SA-03 to be significant deficiencies.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material non-compliance with a type of compliance requirements of a federal program will not be prevented or detected by the entity's internal control. Of the significant deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs, we consider item 09-SA-3 to be a material weakness.

Board of Supervisors and Grand Jury
County of Calaveras

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

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the County as of and for the year ended June 30, 2009, and have issued our report thereon dated December 31, 2009. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The Supplementary Schedule of the California Emergency Management Agency, on page 21, has not been subjected to auditing procedures applied in the audit of the basic financial statements, and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of management, the Board of Supervisors, the Grand Jury, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specific parties.

Gallina LLP

Roseville, California
December 31, 2009, as to the portion of this
report regarding the Schedule of
Expenditures of Federal Awards; and
March 1, 2010, as to all other portions of
this report

COUNTY OF CALAVERAS

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2009

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Disbursements/ Expenditures
<u>U.S. Department of Agriculture</u>			
Passed through State Department of Food and Agriculture:			
Light Brown Apple Moth	10.025	09-8520-1164-CA	\$ 809
Pest Detection/Emergency Projects	10.025	08-8520-1051-CA	21,024
Glassy Winged Sharpshooter	10.025	09-8500-0484-CA	20,202
Regulated County SOD activities	10.025	08-8523-0572-CA	1,498
Weed Management Area	10.680	08-DG-11052021-129	11,011
Subtotal			<u>54,544</u>
Passed through State Department of Social Services:			
Supplemental Nutrition Assistance Program	10.551	--	4,329,269
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	--	428,127
Subtotal			<u>4,757,396</u>
Passed through State Controller's Office:			
Schools and Roads – Grants to States	10.665	--	134,701
Schools and Roads – Grants to Counties	10.666	--	47,542
Subtotal			<u>182,243</u>
Total U.S. Department of Agriculture			<u>\$ 4,994,183</u>
<u>U.S. Department of Housing and Urban Development</u>			
Passed through State Department of Housing and Community Development:			
Community Development Block Grants/Technical Assistance Program	14.227	06-STBG-2500	17,143
Community Development Block Grants/State's Program	14.228	05-STBG-1525	89,635
Community Development Block Grants/State's Program	14.228	05-STBG-1523	80,720
Subtotal			<u>170,355</u>
HOME Investment Partnerships Program	14.239 *	07-HOME-3085	99,300
Total U.S. Department of Housing and Urban Development			<u>\$ 286,798</u>
<u>U.S. Department of the Interior</u>			
Direct program:			
Payments in Lieu of Taxes	15.226	--	173,329
Total U.S. Department of the Interior			<u>\$ 173,329</u>

* Major Program

COUNTY OF CALAVERAS

Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2009

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Disbursements/ Expenditures
<u>U.S. Department of Justice</u>			
Passed through California Emergency Management Agency:			
Victim Witness Assistance Program	16.575	VW08130050	\$ 38,626
Edward Byrne Memorial Grant Program	16.738	DC08180050	<u>122,331</u>
Total U.S. Department of Justice			<u>\$ 160,957</u>
<u>U.S. Department of Transportation</u>			
Direct program:			
Airport Improvement Program	20.106	03-06-0207-06	<u>24,842</u>
Passed through State Department of Transportation:			
Highway Planning and Construction	20.205	CML-5930(036)	11,607
Highway Planning and Construction	20.205	HRRRL-5930(033)	8,814
Highway Planning and Construction	20.205	HRRRL-5930(034)	123,299
Highway Planning and Construction	20.205	BRLO 5930(037)	9,397
Highway Planning and Construction	20.205	BRLO 5930(038)	6,151
Highway Planning and Construction	20.205	BRLO 5930 (039)	9,408
Highway Planning and Construction	20.205	BR 32C0007	1,938
Federal Transit Administration (5311 Grant)	20.509	--	182,178
Federal Transit Administration (5311f Grant)	20.509	--	76,569
Federal Transit Administration (5311f Grant)	20.509	--	65,727
Subtotal			<u>495,088</u>
Total U.S. Department of Transportation			<u>\$ 519,930</u>
<u>U.S. Department of Education</u>			
Passed through California Friday Night Life Partnership			
Friday Night Live Mentoring Program	84.186	--	<u>25,072</u>
Total U.S. Department of Education			<u>\$ 25,072</u>
<u>U.S. Department of Health and Human Services</u>			
Passed through State Department of Aging:			
Special Programs for the Aging Title III, Part B	93.044	--	<u>157,957</u>

COUNTY OF CALAVERAS

Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2009

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Disbursements/ Expenditures
<u>U.S. Department of Health and Human Services (continued)</u>			
Passed through State Department of Social Services:			
Promoting Safe and Stable Families	93.556	--	\$ 28,274
Temporary Assistance for Needy Families	93.558 *	--	5,159,736
Child Welfare Services – State Grants	93.645	--	82,707
Foster Care – Title IV-E	93.658 *	--	797,673
ARRA - Foster Care – Title IV-E	93.658 *	--	15,275
Adoption Assistance	93.659 *	--	358,723
ARRA - Adoption Assistance	93.659 *	--	28,328
Social Services Block Grant	93.667	--	36,350
Independent Living	93.674	--	32,495
Subtotal			6,539,561
Passed through State Department of Health Care Services:			
Public Health Preparedness and Response to Bioterrorism	93.069	EPO 07-06	14,028
California Children's Services -- Healthy Families (Title XXI)	93.767	--	17,110
Subtotal			31,138
Medi-Cal Administration	93.778	--	696,462
California Children's Services -- Administrative Program	93.778	--	67,983
Child Health and Disability Program (Title XIX)	93.778	--	65,689
Health Care Program for Children in Foster Care	93.778	--	14,145
Maternal Child and Adolescent Health (Title XIX)	93.778	--	27,171
Subtotal CFDA 93.778			871,450
Passed through State Department of Public Health:			
Immunization Assistance Program	93.268	--	11,597
Public Health Preparedness and Response to Bioterrorism	93.283	EPO 08-06	99,059
National Bioterrorism Hospital Preparedness Program	93.889	EPO 07-06	101,222
National Bioterrorism Hospital Preparedness Program	93.889	EPO 06-06	30,929
Maternal Child and Adolescent Health (Title V)	93.994	--	36,599
Subtotal			279,406
Passed through State Department of Mental Health:			
Block Grant for Community Mental Health Services (SAMSHA)	93.958	--	119,701
Passed through State Department of Alcohol and Drug Abuse Programs:			
Block Grants for Prevention and Treatment of Substance Abuse (SAPT)	93.959	--	406,340
Total U.S. Department of Health and Human Services			\$ 8,405,553

* Major Program

COUNTY OF CALAVERAS

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2009

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Disbursements/ Expenditures</u>
<u>U.S. Department of Homeland Security</u>			
Passed through State Office of Homeland Security:			
Homeland Security Grant 2007	97.067	2007-0008	\$ 124,020
Homeland Security Grant 2008	97.067	2008-0006	49,088
Subtotal			<u>173,108</u>
Passed through California Emergency Management Agency:			
Emergency Management Performance Grant - 2007	97.042	2008-EM-E8-0009	<u>85,451</u>
Total U.S. Department of Homeland Security			<u>\$ 258,559</u>
Total Expenditures of Federal Awards Excluding Loans			<u><u>\$ 14,824,381</u></u>
 <u>Beginning Federal Loan Balances with a Continuing Compliance Requirement</u>			
<u>U.S. Department of Housing and Urban Development</u>			
Passed through State Department of Housing and Community Development:			
Community Development Block Grants/State's Program	14.228	--	\$ 1,558,130
HOME Investment Partnerships Program	14.239 *	--	<u>1,159,045</u>
Federal Loan Balances with a Continuing Compliance Requirement			<u>2,717,175</u>
Total Expenditures of Federal Awards Including Loans			<u><u>\$ 17,541,556</u></u>

* Major Program

COUNTY OF CALAVERAS

Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30,2008

Note 1: **Reporting Entity**

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs of the County of Calaveras. The County of Calaveras reporting entity is defined in Note 1 to the County's basic financial statements. All federal awards received directly from federal agencies as well as federal awards passed through other government agencies are included in the schedule.

Note 2: **Basis of Accounting**

The accompanying Schedule of Expenditures of Federal Awards is prepared on an accrual basis. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

Note 3: **Relationship to Financial Statements**

The amounts reported in the accompanying Schedule of Expenditures of Federal Awards agree, in all material respects, to amounts reported within the County's financial statements. Federal award revenues are reported principally in the County's financial statements as intergovernmental revenues in the General and Special Revenue funds.

Note 4: **Subrecipients**

Of the federal expenditures presented in the Schedule of Expenditures of Federal Awards, the County of Calaveras provided federal awards to subrecipients as follows:

<u>Federal CFDA</u>	<u>Subrecipient</u>	<u>Amount</u>
14.228	Community Development Block Grants/State's Program	\$ 52,487

Note 5: **Pass-Through Entities' Identifying Number**

When federal awards were received from a pass-through entity, the Schedule of Expenditures of Federal Awards shows, if available, the identifying number assigned by the pass-through entity. When no identifying number is shown, the County 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.

COUNTY OF CALAVERAS

Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30,2008

Note 6: **Program Clusters**

Federal programs, which must be audited together as a program cluster, include the following:

<u>Federal CFDA</u>	<u>Program Title</u>	<u>Federal Expenditures</u>
<u>Supplemental Nutrition Assistance Program (SNAP) Cluster</u>		
10.551	Supplemental Nutrition Assistance Program	\$ 4,329,269
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	<u>428,127</u>
	TOTAL	<u>\$ 4,757,396</u>
<u>Schools and Roads Cluster:</u>		
10.665	Schools and Roads – Grants to States	\$ 134,701
10.666	Schools and Roads – Grants to Counties	<u>47,542</u>
	TOTAL	<u>\$ 182,243</u>

Note 7: **Loans with Continuing Compliance Requirement**

Outstanding federally-funded program loans, with a continuing compliance requirement, carried balances as of June 30, 2009 as follows:

<u>Federal CFDA#</u>	<u>Program Title</u>	<u>Amount Outstanding</u>	
		<u>July 1, 2008</u>	<u>June 30, 2009</u>
14.228	Community Development Block Grants/States Program	\$ 1,558,130	\$ 1,515,714
14.239	HOME Investment Partnerships Program	\$ 1,159,045	\$ 1,412,387

COUNTY OF CALAVERAS

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2009

Section 1

Summary of Auditor's Results

Financial Statements

- | | |
|--|---------------|
| 1. Type of auditor's report issued: | Unqualified |
| 2. Internal control over financial reporting: | |
| a. Material weaknesses identified? | No |
| b. Significant deficiencies identified not considered to be material weaknesses? | None reported |
| 3. Noncompliance material to financial statements noted? | No |

Federal Awards

- | | |
|---|-------------|
| 1. Internal control over major programs: | |
| a. Material weaknesses identified? | Yes |
| b. Significant deficiencies identified not considered to be material weaknesses? | Yes |
| 2. Type of auditor's report issued on compliance for major programs: | |
| Adoption Assistance Program | Qualified |
| All Other Major Programs | Unqualified |
| 3. Any audit findings disclosed that are required to be reported in accordance with Circular OMB A-133, Section 510(a)? | Yes |

- | | |
|---|---|
| 4. Identification of major programs: | |
| <u>CFDA Number</u> | <u>Name of Federal Program</u> |
| 14.239 | HOME Investment Partnerships Program |
| 93.558 | Temporary Assistance for Needy Families |
| 93.658 | Foster Care – Title IV-E |
| 93.659 | Adoption Assistance |
| 5. Dollar threshold used to distinguish between Type A and Type B programs: | \$ 444,731 |

COUNTY OF CALAVERAS

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2009

Section 1 (continued)

Summary of Auditor's Results

Federal Awards (continued)

6. Auditee qualified as a low-risk auditee under
OMB Circular A-133, Section 530? Yes

Section 2

Financial Statement Findings

None Reported

Section 3

Federal Award Findings and Questioned Costs

CFDA 93.558	Finding 09-SA-1
CFDA 93.658	Finding 09-SA-2
CFDA 93.659	Finding 09-SA-3

COUNTY OF CALAVERAS

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2009

Subject/Finding	Findings/Noncompliance
<p>Finding 09-SA-1</p> <p>Temporary Assistance for Needy Families CFDA 93.558</p> <p>Award No. n/a Year: 2008/2009</p>	<p><i>Federal Grantor: U.S. Department of Health and Human Services</i></p> <p><i>Pass-Through Entity: State Department of Social Services</i></p> <p><i>Compliance Requirement: Eligibility/Special Tests (IEVS)</i></p> <p><i>Reporting Requirement: Significant Deficiency and Material Noncompliance in Relation to a Compliance Supplement Audit Objective</i></p>

Criteria

As required by § 1137 of the Social Security Act, income and benefit information from the Income Eligibility and Verification System (IEVS) database must be requested and used when making eligibility determinations. The County must review and compare the information obtained from IEVS against information contained in the case record to determine whether it affects the individual’s eligibility or level of assistance, benefits or services.

Condition

We tested twenty-nine cases and noted that three cases did not have current IEVS documents for all active individuals on the cases.

Questioned Costs

No costs are questioned.

Perspective

We noted that the current IEVS were missing for 10 individuals. We assumed an average number of individuals requiring an IEVS per case was 3.5. That means we tested for 102 IEVS with 10 current IEVS missing. The error rate for the sample was $10 / 102 = 9.80\%$.

COUNTY OF CALAVERAS

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2009

Subject/Finding	Findings/Noncompliance
Finding 09-SA-1 (continued) Temporary Assistance for Needy Families CFDA 93.558	<p data-bbox="467 394 722 426"><u>Effect of Condition</u></p> <p data-bbox="467 468 1399 646">The IEVS system is an elaborate, federally-mandated system which compiles government information for the purpose of tracking federal program eligibility data. Not requesting and using IEVS in eligibility determination can result in individuals receiving benefits to which they are not entitled.</p> <p data-bbox="467 688 698 720"><u>Recommendation</u></p> <p data-bbox="467 762 1399 1014">We recommend that the Department review this omission to request, review, and compare the IEVS to information in the case record. We recommend that the Department attempt to determine why the current system of controls failed to prevent these exceptions and that the Department establish and communicate a policy designed to ensure that IEVS information is requested, received, and reviewed and that this review is documented in each case.</p> <p data-bbox="467 1056 771 1087"><u>Corrective Action Plan</u></p> <p data-bbox="467 1129 1399 1413">Calaveras Works and Human Services Agency policy requires all eligibility cases to have an IEVS Abstract that is reviewed, signed and filed in the eligibility case. Refresher training on the policy will be included in the transition to the C-IV system. Eligibility workers will be required to include the IEVS review in their case comments. Additionally supervisors will be required to minimally review 25% of eligibility cases up to a maximum of 75% review depending upon the expertise of the eligibility worker.</p> <p data-bbox="467 1455 1399 1556">The contact person for this corrective action plan is the Eligibility Supervisor I. The Eligibility Supervisor can be reached at 209.754.6812.</p>

COUNTY OF CALAVERAS

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2009

<u>Subject/Finding</u>	<u>Findings/Noncompliance</u>
Finding 09-SA-2	<i>Federal Grantor: U.S. Department of Health and Human Services</i>
Foster Care	<i>Pass-Through Entity: State Departments of Social Services</i>
Title IV-E	<i>Compliance Requirement: Eligibility</i>
CFDA 93.658	<i>Reporting Requirement: Significant Deficiency and Material Noncompliance in Relation to a Compliance Supplement Audit Objective</i>
Award No. n/a	
Year: 2008/2009	

Criteria

A child must meet the eligibility requirements of the former Aid to Families with Dependent Children (AFDC) program, that is, meeting the State established standard of need as of July 16, 1996, prior to enactment of the Personal Responsibility and Work Opportunity Reconciliation Act. (42 USC 672(a)).

Condition

We tested eligibility in twenty-nine Foster Care cases. Three cases were missing the required documentation to support AFDC eligibility needed prior to placing the child on federally funded Foster Care.

Questioned Costs

No costs are questioned.

Perspective

The exception rate in the sample was $3 / 29 = 10.34\%$

Effect of the Condition

The effect is the County would be placing children in foster family homes or child-care institutions and using federal funds when all eligibility requirements for federal funds have not been satisfied.

COUNTY OF CALAVERAS

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2009

Subject/Finding	Findings/Noncompliance
Finding 09-SA-2 (continued)	<u>Recommendation</u>
Foster Care Title IV-E CFDA 93.658	<p>We recommend the County review the requirements for supporting AFDC eligibility for all children in federally funded foster family homes. We further recommend the County review its internal controls for County employees to track and review eligibility records to ensure that all children living in federally funded foster family homes have satisfactorily met AFDC eligibility requirements prior to placing the children in foster family homes.</p>
	<u>Corrective Action Plan</u>
	<p>Calaveras Works and Human Services Agency retrained staff on June 15, 2009 on the requirements concerning AFDC eligibility for children in federally funded foster family homes. The supervisor is tracking and reviewing the eligibility records to ensure compliance with federal requirements. The tracking mechanism enables the supervisor to track errors regarding further training needs. Starting March 2010, all foster care cases will be reviewed as they will be transitioned into C-IV. Completion of review will be within six months.</p>
	<p>The contact person for this corrective action plan is the Eligibility Supervisor I. The Eligibility Supervisor can be reached at 209.754.6812.</p>

COUNTY OF CALAVERAS

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2009

Subject/Finding	Findings/Noncompliance
Finding 09-SA-3	<i>Federal Grantor: U.S. Department of Health and Human Services</i>
Adoption Assistance CFDA 93.659	<i>Pass Through Entity: State Department of Social Services</i>
	<i>Compliance Requirement: Eligibility</i>
	<i>Reporting Requirement: Material Weakness; Material Noncompliance In Relation to a Compliance Supplement Audit Objective</i>
Award No. n/a Year: 2008/2009	

Criteria

Federal Adoption Assistance cannot be paid unless federal eligibility is present. Generally, for federal eligibility, a child must be within specified income categories, be a child with certain “special needs,” be unable to be adopted without Adoption Assistance, and have the adoption assistance agreement in place before the adoption decree is entered. Title 22 California Code of Regulations §35331(a) requires that the determination of the child's eligibility for adoption assistance be documented in the case record on the Eligibility Certification - Adoption Assistance Program form (the AAP-4). Previous to the use of the AAP-4, a form FC 9 was used to document a child’s eligibility for Adoption Assistance.

Condition

We tested eligibility for twenty-nine Adoption Assistance cases. Included in our sample were only federally-funded Adoption Assistance cases. The AAP-4 was not signed by the authorized official from the County Welfare Department for twenty-one cases.

Questioned Costs

No costs are questioned. All of these cases were eligible for federal Adoption Assistance. The problem was that their eligibility was not properly documented, as required, on the AAP-4.

Perspective

The exception rate in the sample was $21 / 29 = 72.41\%$

COUNTY OF CALAVERAS

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2009

<u>Subject/Finding</u>	<u>Findings/Noncompliance</u>
Finding 09-SA-3 (continued) Adoption Assistance CFDA 93.659	<p><u>Effect of the Condition</u></p> <p>The effect is Federal Adoption Assistance benefits might be paid on behalf of a child when a child is only eligible for state-funded Adoption Assistance.</p> <p><u>Recommendation</u></p> <p>We recommend that the County instruct its eligibility staff to make sure a properly-executed AAP-4 is contained in the case file before approving federal Adoption Assistance. When any case is identified which does not have a properly-executed AAP-4, we recommend that a supervisor review the case file to make sure that the aid code for the case is correct.</p> <p><u>Corrective Action Plan</u></p> <p>Calaveras Works and Human Services Agency has instructed its eligibility staff in the proper execution of AAP-4 and its placement in the case file prior to approval for Federal Adoption Assistance. As with the other foster care cases all Adoption Assistance Program (AAP) cases will be reviewed by either the supervisor or Eligibility Worker III during conversion to C-IV March 1, 2010. The review will include inclusion of the AAP-4, signed and in the case, as well accuracy of the aid code. Verification will be kept on the case transmittal form.</p> <p>The contact person for this corrective action plan is the Eligibility Supervisor I. The Eligibility Supervisor can be reached at 209.754.6812.</p>

COUNTY OF CALAVERAS

Summary Schedule of Prior Audit Findings
For the Year Ended June 30,2008

<u>Audit Reference Number</u>	<u>Status of Prior Year Audit Findings</u>
N/A	None Reported

**SUPPLEMENTARY SCHEDULE
OF
THE CALIFORNIA EMERGENCY
MANGAGEMENT AGENCY GRANTS EXPENDITURES**

COUNTY OF CALAVERAS

Schedule of the California Emergency
Management Agency Grants Expenditures
For the Year Ended June 30, 2009

California Emergency Management Agency Grants

The following represents expenditures for California Emergency Management Agency (Cal EMA) programs for the year ended June 30, 2009. The amount reported in the Schedule of Expenditures of Federal Awards is determined by calculating the federal portion of the current year expenditures.

Program	Expenditures Claimed			Share of Expenditures Current Year		
	For the Period Through June 30, 2008	For the Year Ended June 30, 2009	Cumulative As of June 30, 2009	Federal Share	State Share	County Share
<u>DC08180050 - Edward Byrne Memorial Grant Program</u>						
Personal services	\$ 213,671	\$ 90,516	\$ 304,187	\$ 90,516	\$ --	\$ --
Operating expenses	18,930	31,815	50,745	31,815	--	--
Equipment	5,437	--	5,437	--	--	--
Totals	<u>\$ 238,038</u>	<u>\$ 122,331</u>	<u>\$ 360,369</u>	<u>\$ 122,331</u>	<u>\$ --</u>	<u>\$ --</u>
<u>VW08130050 - Victim Witness Assistance Program</u>						
Personal services	\$ 164,303	\$ 85,261	\$ 249,564	\$ 38,626	\$ 46,635	\$ --
Operating expenses	48,820	14,544	63,364	--	14,544	--
Equipment	--	--	--	--	--	--
Totals	<u>\$ 213,123</u>	<u>\$ 99,805</u>	<u>\$ 312,928</u>	<u>\$ 38,626</u>	<u>\$ 61,179</u>	<u>\$ --</u>