

**COUNTY OF RIVERSIDE  
CALIFORNIA**

**SINGLE AUDIT REPORT**

**JUNE 30, 2005**



**COUNTY OF RIVERSIDE, CALIFORNIA**

**SINGLE AUDIT REPORT**

**JUNE 30, 2005**

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Vavrinek, Trine, Day & Co., LLP

Certified Public Accountants & Consultants

VALUE THE DIFFERENCE

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

Board of Supervisors  
County of Riverside, California

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of Riverside, California (County), as of and for the year ended June 30, 2005, which collectively comprise the County's basic financial statements and have issued our report thereon dated November 18, 2005. We did not audit the financial statements of the Riverside County Flood Control and Water Conservation District (Flood Control District), Housing Authority of the County of Riverside (Housing Authority), Riverside County Regional Park and Open-Space District (Park District) and County of Riverside Redevelopment Agency (RDA) for the year ended June 30, 2005. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinions, insofar as it relates to the amounts included for the Flood Control District, Housing Authority, Park District, and RDA, are based on the reports of the other auditors. 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's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial statement reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error of fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. We noted certain matters that we reported to management of the County in a separate letter dated December 31, 2005.

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

*Vavrek, Truitt, Day & Co., LLP*

Rancho Cucamonga, California  
November 18, 2005



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

Board of Supervisors  
County of Riverside, California

**Compliance**

We have audited the compliance of the County of Riverside, California (County), with the types of compliance requirements described in the 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, 2005. 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.

The County's basic financial statements include the operations of the Housing Authority of the County of Riverside (Housing Authority), a component unit of the County of Riverside, California, which received \$58,333,679 in Federal awards, which are not included the County's schedule of expenditures of Federal awards for the year ended June 30, 2005. Our audit, described below, did not include the operations of the Housing Authority because the Housing Authority engaged other auditors to perform an audit in accordance with OMB Circular A-133.

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

In our opinion, the County 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, 2005. However, the results of our auditing procedures disclosed instances of noncompliance, which are described in the accompanying schedule of findings and questioned costs as items 2005-1 through 2005-6.

## **Internal Control Over Compliance**

The management of the County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to Federal programs. In planning and performing our audit, we considered the County's internal control over compliance with 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.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants caused by error or fraud that would be material in relation to a major Federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

## **Schedule of Expenditures of Federal Awards and Supplemental Schedules**

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County as of and for the year ended June 30, 2005, and have issued our report thereon dated November 18, 2005. We did not audit the financial statements of the Riverside County Flood Control and Water Conservation District (Flood Control District), Housing Authority of the County of Riverside (Housing Authority), Riverside County Regional Park and Open-Space District (Park District), and County of Riverside Redevelopment Agency (RDA) for the year ended June 30, 2005. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinions, insofar as it relates to the amounts included for the Flood Control District, Housing Authority, Park District, and RDA, are based on the reports of the other auditors. 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. The Supplemental Schedule of Office of Emergency Services Grants and Supplemental Schedule of California Department of Aging Grants are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Federal Award and Supplemental Schedules have 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.

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

*Varrinik, Trine, Day, Co., LLP*

Rancho Cucamonga, California  
March 1, 2006

COUNTY OF RIVERSIDE, CALIFORNIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2005

FEDERAL GRANTOR/PASS-THROUGH GRANTOR PROGRAM NAME:	RESPONSIBLE COUNTY DEPARTMENT/AGENCY	CFDA NO.	FEDERAL EXPENDITURES
<b>CORPORATION FOR NATIONAL AND COMMUNITY SERVICES</b>			
Retired and Senior Volunteer Program	Office on Aging	94.002	\$ 73,828
<b>DEPARTMENT OF AGRICULTURE</b>			
<i>Forest Services</i>			
So. Ca Drought, State Fund Assistance	Fire	10.UNKNOWN 10.02-LE-11051360-	636,828
Cannabis USFS	Sheriff-Coroner	070	25,727
Subtotal - Department of Agriculture			<u>662,555</u>
<i>California Department of Social Services</i>			
National School Lunch Program	Probation	10.555	693,309
Food Stamps	Public Social Services	10.551	84,032,886
State Administrative Matching Grants for Food Stamp Program	Public Social Services	10.561	7,659,486
Subtotal - Food Stamps Cluster			<u>91,692,372</u>
<i>California Department of Health Services</i>			
Special Supplemental Nutrition Program for Women, Infants, and Children	Community Health Agency	10.557	8,051,666
<b>TOTAL DEPARTMENT OF AGRICULTURE</b>			<u>101,099,902</u>
<b>DEPARTMENT OF COMMERCE</b>			
<i>California State Economic Development Administration</i>			
Master Plan for Flood Control & Design of Infrastructure Improvements for the Perris Valley Industrial Corridor	Economic Development Agency	11.300	112,696
<b>DEPARTMENT OF EDUCATION</b>			
<i>California State Department of Rehabilitation</i>			
Rehabilitation Services-Vocational Rehabilitation Grants to States	Mental Health	84.126	565,394
<b>DEPARTMENT OF ENERGY</b>			
Weatherization Assistance For Low-Income Persons	Community Action	81.042	214,052
<b>DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			
<i>California State Department of Aging</i>			
Special Programs for the Aging-Title VII, Chapter 3	Office on Aging	93.041	25,046
Special Programs for the Aging-Title VII, Chapter 2	Office on Aging	93.042	61,681
Special Program for the Aging - Title III Part D	Office on Aging	93.043	98,094
National Family Caregivers Support Program- Title III Part E	Office on Aging	93.052	724,542
Nutrition Services Incentive Program	Office on Aging	93.053	422,940
Senior Farmer's Market	Office on Aging	10.576	27,000
Special Program for the Aging - Title III Part B	Office on Aging	93.044	1,759,369
Special Program for the Aging - Title III Part C	Office on Aging	93.045	2,461,370
Subtotal - Department of Aging Cluster [1]			<u>5,580,042</u>

[1] Denotes a major Federal financial assistance program.

See accompanying note to schedule of expenditures of federal awards.

COUNTY OF RIVERSIDE, CALIFORNIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2005

FEDERAL GRANTOR/PASS-THROUGH GRANTOR PROGRAM NAME:	RESPONSIBLE COUNTY DEPARTMENT/AGENCY	CFDA No.	FEDERAL EXPENDITURES
<i>California State Department of Social Services</i>			
Promoting Safe and Stable Families	Public Social Services	93.556	\$ 1,506,843
Temporary Assistance for Needy Families [1]	Probation/Public Social Services	93.558	167,039,970
Refugee and Entrant Assistance - State Administered Programs	Public Social Services	93.566	70,738
Welfare Reform Research, Evaluations and National Studies	Public Social Services	93.595	99,552
Chafee Education and Training Vouchers Program	Public Social Services	94.599	12,489
Child Welfare Services - State Grants	Public Social Services	93.645	2,478,102
Foster Care Title IV-E	Probation/Public Social Services	93.658	51,313,803
Adoption Assistance	Public Social Services	93.659	9,858,831
Social Services Block Grant	Public Social Services	93.667	2,747,303
Independent Living Program	Public Social Services	93.674	1,060,279
Subtotal - Social Services			<u>236,187,910</u>
<i>California State Department of Education</i>			
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	Public Social Services	93.596	<u>1,505,586</u>
<i>California State Department of Child Support Services</i>			
Child Support Enforcement	Child Support Services	93.563	<u>26,879,322</u>
<i>California Family Planning Council</i>			
Family Planning - Services	Community Health Agency	93.217	<u>422,755</u>
<i>California State Department of Health Services</i>			
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	Community Health Agency	93.116	1,095,645
Centers for Disease Control and Prevention - Investigations and Technical Assistance	Community Health Agency	93.283	1,945,423
Children Services - Healthy Families	Community Health Agency	93.767	784,769
Medical Assistance Program	Public Social Services, Community Health Agency, Office on Aging, IHSS- Public Authority Admin.	93.778	53,900,945
Health Care Financing Research, Demonstrations & Evaluations (HCFA Research)	Office on Aging	93.779	46,454
Maternal and Child Health Services Block Grant to the States	Community Health Agency	93.994	1,366,795
Subtotal- Department of Health Services			<u>59,140,031</u>

[1] Denotes a major Federal financial assistance program.

See accompanying note to schedule of expenditures of federal awards.

COUNTY OF RIVERSIDE, CALIFORNIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2005

FEDERAL GRANTOR/PASS-THROUGH GRANTOR PROGRAM NAME:	RESPONSIBLE COUNTY DEPARTMENT/AGENCY	CFDA No.	FEDERAL EXPENDITURES
<i>California State Department of Mental Health</i>			
Project for Assistance in Transition from Homelessness (PATH)	Mental Health	93.150	\$ 226,205
Block Grant for Community Mental Health Services	Mental Health	93.958	2,418,680
Subtotal- Department of Mental Health			<u>2,644,885</u>
<i>California State Department of Alcohol &amp; Drug</i>			
Block Grant for Prevention and Treatment of Substance Abuse	Mental Health	93.959	<u>10,980,752</u>
<i>California State Department of Community Services and Development</i>			
Low-Income Home Energy Assistance	Community Action	93.568	1,225,494
Community Services Block Grant	Community Action	93.569	1,926,078
Subtotal- Department of Community Services and Development			<u>3,151,572</u>
<i>County of San Bernardino</i>			
HIV Emergency Relief Project Grants	Community Health Agency	93.914	<u>841,198</u>
<b>TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			<u>347,334,053</u>
<b>DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>			
Community Development Block Grant/Entitlement Grants	Economic Development Agency/Mental Health	14.218	14,159,487
Emergency Shelter Grants Program	Economic Development Agency	14.231	324,777
Supportive Housing Program	Public Social Services/Mental Health	14.235	2,032,965
Shelter Plus Care	Public Social Services	14.238	327,172
Home Investment Partnerships Program	Economic Development Agency	14.239	5,932,591
Lead-Based Paint Hazard Control in Privately- Owned Housing	Community Health Agency	14.900	<u>834,212</u>
<b>TOTAL DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>			<u>23,611,204</u>
<b>DEPARTMENT OF JUSTICE</b>			
Southwest Border Prosecution Initiative	District Attorney/Sheriff- Coroner	16.UNKNOWN	986,574
Inland Regional Apprehension Team	Sheriff-Coroner	16.UNKNOWN	6,233
Byrne Formula Grant Program - Non-OCJP Funded	Sheriff-Coroner	16.579	832,424
Local Law Enforcement Block Grants Program	Sheriff-Coroner	16.592	319,798
State Criminal Alien Assistance Program (SCAAP)	Sheriff-Coroner	16.606	1,349,430
Asset Forfeiture	District Attorney/Sheriff- Coroner	16.999	852,484
Public Safety Partnership and Community Policing Grants - COPS	Sheriff-Coroner	16.710	1,578,744
Subtotal - Department of Justice			<u>5,925,687</u>

[1] Denotes a major Federal financial assistance program.

See accompanying note to schedule of expenditures of federal awards.

**COUNTY OF RIVERSIDE, CALIFORNIA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2005**

FEDERAL GRANTOR/PASS-THROUGH GRANTOR PROGRAM NAME:	RESPONSIBLE COUNTY DEPARTMENT/AGENCY	CFDA No.	FEDERAL EXPENDITURES
<i>California Office of Criminal Justice Planning/Office of Emergency Services. CA Corrections Svcs Agency</i>			
State Challenge Activities	Probation	16.549	\$ 81,907
Special Emphasis Assistance Program	District Attorney	16.575	110,000
Juvenile Accountability Incentive Block Grants (JAIBAG)	Probation	16.523	304,483
Victim Witness Assistance	District Attorney	16.575	298,795
Byrne Formula Grant Program	Sheriff-Coroner	16.579	250,000
Federal Anti Drug Abuse Grant Program [1]	Sheriff-Coroner	16.579	1,259,638
Crimes Against Police Officers	District Attorney	16.579	275,909
Violence Against Women Formula Grants	District Attorney/Probation	16.588	213,741
Residential Substance Abuse Treatment for State Prisoners (RSTAT)	Sheriff-Coroner	16.593	458,060
Subtotal - OCJP/OES, CA Corrections Svcs Agency			3,252,533
<i>Drug Enforcement Agency</i>			
Cannabis Eradication Program	Sheriff-Coroner	16.2003-25, 2005	101,802
<i>Office of National Drug Control Policy</i>			
High Intensity Drug Trafficking Area 03 (INCA, RMTF combined)	Sheriff-Coroner	16.13PLAP540	82,762
High Intensity Drug Trafficking Area 04 (INCH, INCA, RMTF combined)	Sheriff-Coroner	16.14PLAP540Z	1,319,002
High Intensity Drug Trafficking Area 05 (INCH, INCA, RMTF combined)	Sheriff-Coroner	16.15PLAP540Z	318,900
Consolidated Priority Organization Target (CPOT)	Sheriff-Coroner	16.12PMIP5981/LA	48,465
Consolidated Priority Organization Target (CPOT)	Sheriff-Coroner	16.14PLAP999Z	94,516
Subtotal - Office of National Drug Control Policy			1,863,645
<b>TOTAL DEPARTMENT OF JUSTICE</b>			<b>11,143,667</b>
<b>DEPARTMENT OF LABOR</b>			
<i>California State Department of Aging</i>			
Senior Community Service Employment Program	Office on Aging	17.235	612,760
<i>California Employment Development Department</i>			
Workforce Investment Act (WIA) Adult Program	Economic Development Agency	17.258	5,340,743
Workforce Investment Act (WIA) Youth Activities	Economic Development Agency	17.259	4,730,385
Workforce Investment Act (WIA) Dislocated Worker	Economic Development Agency	17.260	4,731,306
Subtotal - Workforce Investment Act Cluster			14,802,434
H-1B Technical Skills Training Grant	Economic Development Agency	17.261	312,386
Subtotal - Employment Development Department			15,114,820
<b>TOTAL DEPARTMENT OF LABOR</b>			<b>15,727,580</b>

[1] Denotes a major Federal financial assistance program.

See accompanying note to schedule of expenditures of federal awards.

COUNTY OF RIVERSIDE, CALIFORNIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2005

FEDERAL GRANTOR/PASS-THROUGH GRANTOR PROGRAM NAME:	RESPONSIBLE COUNTY DEPARTMENT/AGENCY	CFDA No.	FEDERAL EXPENDITURES
<b>DEPARTMENT OF TRANSPORTATION</b>			
Federal Aviation Administration	Economic Development		
Airport Improvement Program (AIP) [1]	Agency	20.106	\$ 5,971,391
Highway Planning and Construction	Transportation	20.205	2,595,282
State Community Highway Safety	Probation	20.600	91,845
U.S. Forest Reserve	Transportation	20.98003012	44,593
<b>TOTAL DEPARTMENT OF TRANSPORTATION</b>			<u>8,703,111</u>
<b>DEPARTMENT OF THE TREASURY</b>			
Secret Service Reimbursement	Sheriff-Coroner	21.000	1,945
Children Exposed to Domestic Violence	Sheriff-Coroner	93.645	194,071
<b>TOTAL DEPARTMENT OF THE TREASURY</b>			<u>196,016</u>
<b>SOCIAL SECURITY ADMINISTRATION</b>			
SSA - Social Security Administration	Sheriff-Coroner	96.000	105,200
<b>U.S. DEPARTMENT OF HOMELAND SECURITY</b>			
U.S. Customs Reimbursement	Sheriff-Coroner	97.000	2,801
Security Grant Program	Fire	97.067	486,497
Emergency Food and Shelter National Board Program	Mental Health	83.523	19,620
1st Responder to EMT Upgrade	Fire	97.044	1,494,920
Hazard Mitigation Grant Program	Fire	97.039	637,932
Subtotal - Department of Homeland Security			<u>2,641,770</u>
<i>California State Department of Health Services</i>			
Security Grant Program	Community Health Agency	97.067	386,409
Metropolitan Medical Response System	Community Health Agency	97.071	16,803
			<u>403,212</u>
<b>TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY</b>			<u>3,044,982</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<u>\$ 511,931,685</u>

[1] Denotes a major Federal financial assistance program.

See accompanying note to schedule of expenditures of federal awards.

**COUNTY OF RIVERSIDE, CALIFORNIA**

**NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2005**

***NOTE #1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES***

**A. General**

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all Federal award programs of the County of Riverside, California (the County), except for the Federal awards granted to the Housing Authority of the County of Riverside, which is separately audited and reported on in accordance with the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Federal awards received directly from Federal agencies, as well as, Federal awards, passed through Nonfederal agencies, primarily the State of California, except as noted above, are included on the schedule. The County's reporting entity is defined in Note #1 to the County's basic financial statements.

**B. Basis of Accounting**

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting for program expenditures accounted for in the governmental funds and the accrual basis of accounting for program expenditures accounted for in the proprietary funds as described in Note #2 to the County's basic financial statements.

**C. Relationship to Basic Financial Statements**

Federal award expenditures agree or can be reconciled with the amounts reported in the County's basic financial statements.

**D. Relationship to Federal Financial Reports**

Amounts reported in the accompanying Schedule of Expenditures of Federal Awards are in material agreement with the amounts reported in the related Federal financial reports for the Federal award programs.

**E. Major Programs**

For clarification purposes, the Federal Anti-Drug Abuse Grant Program was audited as a major program at the request of the County. Accordingly, only the Federal Anti-Drug Abuse Grant, of the CFDA number 16.579, has been designated as major.

COUNTY OF RIVERSIDE, CALIFORNIA

NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2005

NOTE #1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

F. Pass-Through Awards To Subrecipients

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

<u>County Program Title</u>	<u>CFDA No.</u>	<u>Amount</u>
Community Development Block Grants/Entitlement Grants	14.218	\$ 6,435,815
Emergency Shelter Grants Program	14.231	262,659
Supportive Housing Program	14.235	1,803,799
Shelter and Care	14.238	327,172
HOME Investment Partnership Program	14.239	2,844,605
Southwest Border Prosecution Initiative	16.UNKNOWN	250,552
Workforce Investment Act (WIA) Adult Program	17.258	322,613
Workforce Investment Act (WIA) Youth Activities	17.259	3,508,623
Workforce Investment Act (WIA) Dislocated Worker	17.260	10,486
HIB Technical Skills Training Grant	17.261	289,923
Weatherization Assistance for Low-Income Persons	81.042	214,052
Special Program for the Aging - Title VII, Chapter 2	93.042	61,681
Special Program for the Aging - Title III, Part B	93.044	510,752
Special Program for the Aging - Title III, Part C	93.045	1,953,402
National Family Caregivers Support	93.052	249,335
Nutrition Services Incentive Program	93.053	409,032
Low-Income Home Energy Assistance	93.568	1,225,494
Community Services Block Grants	93.569	1,926,078
Health Care Financing Research, Demonstrations and Evaluations (HCFA Reserach)	93.779	40,907
Total		<u>\$ 22,646,980</u>

**COUNTY OF RIVERSIDE, CALIFORNIA**

**SUMMARY OF AUDITORS' RESULTS  
YEAR ENDED JUNE 30, 2005**

**FINANCIAL STATEMENTS**

Type of auditors' report issued:	<u>Unqualified</u>
Internal control over financial reporting:	
Material weaknesses identified?	<u>No</u>
Reportable conditions identified not considered to be material weaknesses?	<u>None reported</u>
Noncompliance material to financial statements noted?	<u>No</u>

**FEDERAL AWARDS**

Internal control over major programs:	
Material weaknesses identified?	<u>No</u>
Reportable conditions identified not considered to be material weaknesses?	<u>None reported</u>
Type of auditors' report issued on compliance for major programs:	<u>Unqualified</u>
Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a)	<u>Yes</u>
Identification of major programs:	

CFDA Numbers

Name of Federal Program or Cluster

93.041, 93.042, 93.043, 93.052, 93.053, 10.576, 93.044, 93.045	Special Programs for the Aging Cluster
93.558	Temporary Assistance for Needy Families
16.579	Federal Anti Drug Abuse Grant Program
20.106	Federal Aviation Administration AIP

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

COUNTY OF RIVERSIDE, CALIFORNIA

SCHEDULE OF FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS  
JUNE 30, 2005

None noted.

**COUNTY OF RIVERSIDE, CALIFORNIA**

**SCHEDULE OF FEDERAL AWARD FINDINGS AND QUESTIONED COSTS  
JUNE 30, 2005**

**Finding 2005-1**

**Program:** Special Programs for the Aging Cluster

**CFDA No.:** 93.041, 93.042, 93.043, 93.044, 93.045, 93.052, 93.053, and 10.576

**Federal Grantor:** Department of Health and Human Services

**Pass-through agency:** California State Department of Aging

**Award No.:** AP0405-21

**Award Year:** Fiscal Year 2004-2005

**Compliance Requirement:** Allowable Costs/Allowed Activities

**Questioned Costs:** None

**Criteria:**

The Contracts for Funds between the County Office on Aging and Contractors stipulate that Contractors shall furnish County appropriate reports and information pertaining to Contractors' performance of services. Further receipt of late or inaccurate reports may result in the delay of processing of payment and late reporting or failure to report may result in County's applying the termination policy.

A core component of the periodic contractor reporting includes the submission of the Monthly Client Service Report. This report identifies the number of units or meals provided to program participants.

**Condition Found:**

It was noted that of the 46 reimbursement expenditure requests tested, in 44 instances, the Monthly Client Service Reports had not been provided by the contractor, as stipulated in the County contracts.

**Context:**

The condition above was identified during our testing procedures over allowable costs.

**Effect:**

Ensuring that adequate supporting documentation is provided by contractors in accordance with the County contracts decreases the risk that costs incurred by the contractor unauthorized or un-allowable. Therefore, the absence of the required Monthly Client Service Reports increases the risk of non-compliance with allowable cost provisions of the federal program.

Lack of formal procedures to ensure timely submittal of reports and information pertaining to Contractors' performance of services in accordance with Contract Agreement requirements jeopardizes compliance with allowed activities requirements.

COUNTY OF RIVERSIDE, CALIFORNIA

SCHEDULE OF FEDERAL AWARD FINDINGS AND QUESTIONED COSTS  
JUNE 30, 2005

**Cause:**

The County did not ensure that the Monthly Client Service Reports were received and reviewed prior to the authorization and payment of funds to contractors.

**Recommendation:**

We recommend that the County implement procedures to ensure that required reports and information pertaining to contractors' performance of services are submitted with the reimbursement requests to ensure compliance with the contracts and federal allowable cost provisions.

**Views of Responsible Officials and Planned Corrective Actions:**

All back up Monthly Client Service Report information – sign in and routing sheets, are included with Contractors' Monthly Request for Reimbursement currently. This procedure ensures that the Monthly Client Service Reports were received and reviewed prior to the authorization and payment of funds to Contractors. The current procedure has been implemented since July 1, 2005.

**Finding 2005-2**

**Program:** Special Programs for the Aging Cluster  
**CFDA No.:** 93.041, 93.042, 93.043, 93.044, 93.045, 93.052, 93.053, and 10.576  
**Federal Grantor:** Department of Health and Human Services  
**Pass-through agency:** California State Department of Aging  
**Award No.:** AP0405-21  
**Award Year:** Fiscal Year 2004-2005  
**Compliance Requirement:** Reporting  
**Questioned Costs:** None

**Criteria:**

The fiscal year 2004-2005 California Department of Aging (CDA) Contract requires quarterly Service Units Reports to be submitted on October 31, January 31, April 30 and July 31. In addition, the Annual Summary Client Profile, Provider Profile, Staffing Profile, Unduplicated Client Count and Focal Point Reports are to be submitted on August 30. Further, the Detailed Expenditure Data File (SPR 107) is required to be submitted by the 30<sup>th</sup> of each month.

**COUNTY OF RIVERSIDE, CALIFORNIA**

**SCHEDULE OF FEDERAL AWARD FINDINGS AND QUESTIONED COSTS  
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**Condition Found:**

It was noted that the Office on Aging did not submit the Quarterly Progress Service Unit Reports and the annual required reports by the due dates established in the CDA contract. The Quarterly Progress Service Unit Reports were submitted on January 20, February 15, May 31 and August 1 which were 81 days, 15 days, 31 days, and 1 day past due, respectively. It was also noted that the Office on Aging did not submit the required annual reports until September 26, 2005 which was 29 days past due. In addition, there was no evidence supporting that the Detailed Expenditure Data File (SPR 107) was submitted in a timely manner for the month of June 2005.

**Context:**

The condition above was identified during our testing procedures over the reporting requirements of the CDA contract.

**Effect:**

The County did not fully comply with the reporting requirements of the CDA contract.

**Cause:**

The County did not apply the proper level of oversight in order to ensure that reports were submitted on a timely basis.

**Recommendation:**

We recommend that the County implement procedures to ensure that required reports are submitted by the required due date in order to ensure compliance with pass-through agency and federal reporting requirements.

**Views of Responsible Officials and Planned Corrective Actions:**

Procedure has been implemented for quarterly and annual reports to CDA to be reported by the required deadline dates since October 31, 2005.

COUNTY OF RIVERSIDE, CALIFORNIA

SCHEDULE OF FEDERAL AWARD FINDINGS AND QUESTIONED COSTS  
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**Finding 2005-3**

**Program:** Special Programs for the Aging Cluster  
**CFDA No.:** 93.041, 93.042, 93.043, 93.044, 93.045, 93.052, 93.053, and 10.576  
**Federal Grantor:** Department of Health and Human Services  
**Pass-through agency:** California State Department of Aging  
**Award No.:** AP0405-21  
**Award Year:** Fiscal Year 2004-2005  
**Compliance Requirement:** Subrecipient Monitoring  
**Questioned Costs:** None

**Criteria:**

The March 2004 Office of Budget and Management (OMB) *OMB Circular A-133 Compliance Supplement* states that a pass-through entity is responsible for Subrecipient Audits and (1) ensuring that subrecipients who meet the audit requirements of OMB Circular A-133, have an audit completed within 9 months of the end of the subrecipient's audit period, (2) issuing a management decision on audit findings within 6 months after receipt of the subrecipient's audit report, and (3) ensuring that the subrecipients takes timely and appropriate corrective action on all audit findings.

**Condition Found:**

It was noted that a subrecipient's Program Specific Audit Reports included findings in FY 02-03 and FY 03-04. However, no correction actions have been initiated by the County.

**Context:**

The condition above was identified during our testing procedures over subrecipients. The subrecipient with the noted findings represents approximately \$1.2 million of the contracts for services.

**Effect:**

Due to the condition noted, there is an increased risk of non-compliance with allowable cost provisions.

**Cause:**

The County did not apply the appropriate oversight and/or coordination in following up on third party single audit reports and enforcing corrective actions via on-site inspections.

**Recommendation:**

We recommend that the County implement procedures to ensure that management's decisions are issued on all audit findings within 6 months after receipt of the subrecipient's audit report, and that subrecipients take timely and appropriate corrective action on all audit findings in order to ensure compliance with federal requirements.

**COUNTY OF RIVERSIDE, CALIFORNIA**

**SCHEDULE OF FEDERAL AWARD FINDINGS AND QUESTIONED COSTS  
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**Views of Responsible Officials and Planned Corrective Actions:**

Procedure to ensure that management's decisions are issued on audit findings to ensure compliance with federal requirements has been implemented since November 2005.

**Finding 2005-4**

**Program:** Special Supplemental Nutrition Program for Women, Infants, and Children

**CFDA No.:** 10.557

**Federal Grantor:** Department of Agriculture

**Passed – through:** California Department of Health Services

**Award No:** Not Applicable

**Award Year:** Fiscal Year 2004-05

**Compliance Requirement:** Reporting

**Questioned Costs:** Not Applicable

**Criteria:**

The contract between the State of California and the Health Department of the County of Riverside stipulates that Monthly Financial Reports be provided to the State on the 30<sup>th</sup> day of each month following the reporting month.

**Condition Found:**

It was noted that the required Monthly Financial Reports were not submitted within the required timelines during fiscal year 2004-05.

**Context:**

The condition noted above was identified during the single audit of fiscal year 2003-04. During our inquiry of corrective action and implementation, the County asserted that the report delays existed during fiscal year 2004-05. Therefore, the finding was repeated.

**Effect:**

The untimely reporting of costs to the State results in noncompliance with the requirements set forth in the contractual agreement between the County of Riverside and the State.

**Cause:**

During the monthly process of gathering and reporting financial information required by the State, the County's Community Health Agency utilizes various internal processes and edit checks to ensure the accuracy of reporting amounts. These processes create difficulties in the completion of the Monthly Financial Reports within the agreed upon 30 day timeline.

COUNTY OF RIVERSIDE, CALIFORNIA

SCHEDULE OF FEDERAL AWARD FINDINGS AND QUESTIONED COSTS  
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**Recommendation:**

We recommend that the County of Riverside develop a method for reasonably monitoring the program's required reporting of costs to the state to ensure timely submittal. Alternatively, the County should seek a modification to the contract agreement for additional time in filing Monthly Financial Reports.

**Views of Responsible Officials and Planned Corrective Actions:**

We have made the State aware of the difficulty in meeting an invoice due date of 30 days after the end of the reporting month. A revision of the agreement to provide a due date at the end of the 2<sup>nd</sup> month from the reporting month is being discussed. We believe a due date at the end of the second month following the reporting month is more reasonable and represents a requirement that can be consistently met.

**Finding 2005-5**

**Program:** Temporary Assistance for Needy Families

**CFDA No.:** 93.558

**Federal Grantor:** Department of Health and Human Services, Administration for Children and Families

**Pass-through agency:** California State Department of Social Services

**Award No.:** Not Applicable

**Award Year:** Fiscal Year 2004/2005

**Compliance Requirement:** Reporting

**Questioned Costs:** None

**Criteria:**

In accordance with grant provisions established by the State of California, the Monthly Summary Report of Assistance Expenditures is due by the 20 of the month following the reporting month.

**Condition Found:**

It was noted that the Monthly Summary Report of Assistance Expenditures for the months of August 2004 through March 2005 were not submitted by the required timeline.

**Context:**

The condition above was identified during our testing procedures over reporting requirements.

**Effect:**

Due to the condition identified above, the County was not in compliance with the State grant provisions over reporting.

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**SCHEDULE OF FEDERAL AWARD FINDINGS AND QUESTIONED COSTS  
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**Cause:**

During fiscal year 2004-05, the County implemented a new management system for its social services programs as part of the California SAWS Consortium IV (C-IV). The reporting delays were attributed to the implementation complexities of the C-IV system.

**Recommendation:**

We recommend that the County implement and maintain procedures to ensure that required periodic reports are submitted on a timely basis.

**Views of Responsible Officials and Planned Corrective Actions:**

Riverside County staff has worked closely with the vendor for the California SAWS Consortium (C-IV) and the C-IV Consortium staff to make changes to the system and internal policies and procedures. These changes ensure the Monthly Summary Report of Assistance Expenditures can be submitted in a timely manner with accurate information. We feel that this finding has been addressed and resolved prior to this audit.

**Finding 2005-6**

**Program:** Temporary Assistance for Needy Families

**CFDA No.:** 93.558

**Federal Grantor:** Department of Health and Human Services, Administration for Children and Families

**Pass-through agency:** California State Department of Social Services

**Award No.:** Not Applicable

**Award Year:** Fiscal Year 2004/2005

**Compliance Requirement:** Eligibility

**Questioned Costs:** None

**Criteria:**

The County is required to maintain policies and procedures to ensure compliance with the eligibility and special tests and provisions requirements included in the Office of Management and Budget (OMB) *Circular A-133*. Such requirements include the following:

- Participants' applications are maintained and reviewed by Eligibility Technicians (ET)
- Information, consistent with the SAWS-II form is gathered and reviewed by the ET,
- Benefit payments in the case files are consistent with the payments rendered,
- Income Eligibility and Verification System (IEVS) information was obtained,
- Quarterly Status Reports (QR-7) are obtained and considered on the participant's benefit amounts,
- Child Support Cooperation agreements are filed and
- Supporting documentation for Welfare to Work Compliance by the participant.

COUNTY OF RIVERSIDE, CALIFORNIA

SCHEDULE OF FEDERAL AWARD FINDINGS AND QUESTIONED COSTS  
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**Condition Found:**

Of the 40 case files selected for testing, the following results were noted:

- In 2 cases, the QR-7 had not been received by the participant and subsequent benefit payments had been provided.
- In 4 cases, the IEVS information was not included in the file.
- In 13 cases, the IEVS information did not have evidence of review consistent with the County's internal policy.

**Context:**

The condition above was identified during our eligibility testing procedures over the eligibility and special tests and provisions requirements of participant case files.

**Effect:**

Due to the condition noted above, there is an increased risk that case file information may not be obtained and eligibility determinations and benefit calculations may be inaccurate.

**Cause:**

With respect to the condition where the QR-7 reports had not been obtained, it was asserted by County staff that the subsequent payments were not prevented by the C-IV system.

For the other conditions noted, County staff asserted that the missing or inconsistent documentation was attributed to inconsistent application of County policies and procedures.

**Recommendation:**

We recommend that the County implement procedures to ensure that eligibility file documentation and procedures are consistently followed, in conjunction with ongoing Quality Assurance case file reviews.

**Views of Responsible Officials and Planned Corrective Actions:**

During Fiscal Year 2004-2005 the County of Riverside was involved in the major process of converting a semi-automated, county operated computer system, to a four-County Consortium totally automated system. This major change impacted all areas of our Self-Sufficiency Division and Foster Care Eligibility, as well as our Quality Assurance Unit. During FY 2004-2005 all staff in these areas were required to learn a new way of doing business, and, as anticipated, it had a temporary impact on the quality of work. Fortunately, we are seeing a return to normalcy, and we anticipate that the findings such as those cited by your agency in the FY 2004-2005 Report were an anomaly associated with our system conversion.

**COUNTY OF RIVERSIDE, CALIFORNIA**

**SCHEDULE OF FEDERAL AWARD FINDINGS AND QUESTIONED COSTS  
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With regard to QR-7 processing policies were revised in April 2004 specifically for the purpose of preventing the errors described above. We will assure that all staff are aware of these revised processes through our internal corrective action process.

Finally, with regard to IEVS information, we will be reviewing policies regarding IEVS activities to assure that all necessary information is available to staff with regard to action and documentation of IEVS activities.

COUNTY OF RIVERSIDE, CALIFORNIA

SCHEDULE OF PRIOR YEAR AUDIT FINDINGS AND QUESTIONED COSTS  
JUNE 30, 2005

The following findings represent reportable conditions, material weaknesses, and instances of noncompliance including questioned costs that are required to be reported by OMB Circular A-133.

**Finding 2004-1**

**ACCOUNTS PAYABLE AND YEAR-END CUTOFF**

**Criteria:**

In accordance with generally accepted accounting principles (GAAP), obligations incurred but not paid during the fiscal year should be accrued as outstanding accounts payable as of June 30, 2004.

**Condition Found:**

It was noted that the County did not achieve proper expense cutoff as of June 30, 2004. Based on the items selected for testing, approximately 30% of the sample required accrual as of June 30, 2004.

**Context:**

The condition noted above was identified during our examination of disbursements, subsequent to June 30, 2004. For each disbursement tested, an evaluation of the timing of the underlying service or obligation was performed to ascertain the proper fiscal year of accounting recognition.

**Effect:**

As a result of the County not achieving proper expense cutoff, accounts payable required adjustments.

**Cause:**

It was noted that the lack of cutoff was attributed to the failure of departments to follow established procedures combined with the lack of procedures and personnel to properly identify the timing of services/obligations and to verify whether accruals were required for the fiscal year.

**Recommendation:**

We recommend that the County add additional procedures and/or personnel in order to ensure that accounts payable are fairly stated as of year-end. These procedures may consist of the specific identification of expenses based on the County's year-end accrual policy, evaluating subsequent disbursements or developing a model to estimate the County's outstanding year-end obligations.

**Status:**

Implemented

**COUNTY OF RIVERSIDE, CALIFORNIA**

**SCHEDULE OF PRIOR YEAR AUDIT FINDINGS AND QUESTIONED COSTS  
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**Finding 2004-2**

**Program:** Child Support Enforcement Program

**CFDA No.** 93.563

**Federal Grantor:** Department of Health and Human Services

**Passed-through:** California State Department of Child Support Services

**Award No.:** Not Applicable

**Award Year:** Fiscal Year 2003-04

**Compliance Requirement:** Reporting

**Questioned Costs:** \$0

**Criteria:**

The Federal compliance requirement specifically states that the CS-356 report must be submitted by the 15<sup>th</sup> of the first month following the end of the quarter (i.e. January 15<sup>th</sup>, April 15<sup>th</sup>, July 15<sup>th</sup>, and October 15<sup>th</sup>).

**Condition Found:**

It was noted that the required CS-356 expenditures reports for the 1<sup>st</sup> quarter of fiscal year 2003-04 was not submitted in a timely manner.

**Context:**

The above finding was identified during procedures performed to ascertain the corrective action of a prior year finding.

**Effect:**

Noncompliance with deadline reporting requirements established under the grant.

**Cause:**

Delays in the year-end closing.

**Recommendation:**

The County needs to implement and enforce a more stringent policy on submission of reports in a timely manner.

**Status:**

Implemented

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SCHEDULE OF PRIOR YEAR AUDIT FINDINGS AND QUESTIONED COSTS  
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**Finding 2004-3**

**Program:** Southwest Border Prosecution Initiative

**CFDA No.:** 16.000

**Federal Grantor:** Department of Justice

**Passed – through:** Not Applicable

**Award No:** Not Applicable

**Award Year:** Fiscal Year 2003-04

**Compliance Requirement:** Eligibility

**Questioned Costs:** Unknown

**Criteria:**

The County should maintain policies and procedures to accurately track eligible cases, submitted to the Department of Justice for funding in accordance with the case reporting periods identified in the Southwest Border Prosecution Initiative Guidelines.

**Condition Found:**

It was noted that the County's process for compiling eligible claims includes the manual tabulation of cases, such that the manual listings do not allow for the specific identification of an individual case.

**Context:**

The above referenced finding was identified during testing of the manual listings, supporting the numbers of cases claimed, against system-generated data used to identify the population of eligible cases.

**Effect:**

Based on the sample tested, differences were encountered when reconciling the number of cases claimed from the manual listings to the supporting system generated data resulting in the County claiming funding in the amount of \$36,250 in excess of the cases documented.

However, the County utilizes a process to submit claims, whereby the days pending are cut-off in order to secure funding. Under the guidelines of the Southwest Border Prosecution Initiative, all applicants will receive 100% of the calculated dollar amount of total cases eligible for payment as long as there are sufficient funds available. Accordingly, the County asserts that eligible claims submitted were understated and the County may/may not have received additional funding if the full duration of the case was considered when filed. Therefore, the County asserts that amounts foregone may/may not have offset the effects of the mathematical errors discussed above.

**Cause:**

It was noted that the use of manual listings utilized in the tabulation of eligible cases contributed to the mathematical errors identified above.

**COUNTY OF RIVERSIDE, CALIFORNIA**

**SCHEDULE OF PRIOR YEAR AUDIT FINDINGS AND QUESTIONED COSTS  
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**Recommendation:**

We recommend that the County implement procedures to specifically identify and track eligible cases for reimbursement, using a process that identifies the case number during tabulation in order to reduce the risk of mathematical errors.

**Status:**

Implemented

**Finding 2004-4**

**Program:** Special, Supplemental Nutrition Program for Women, Infants and Children  
**CFDA No.:** 10.557

**Federal Grantor:** Department of Agriculture

**Passed – through:** California Department of Health Services

**Award No:**

**Award Year:** Fiscal Year 2003-04

**Compliance Requirement:** Reporting

**Questioned Costs:** Not Applicable

**Criteria:**

The contract between the State of California and the Health Department of the County of Riverside stipulates that Monthly Financial Reports be provided to the State on the 30<sup>th</sup> day of each month following the reporting month.

**Condition Found:**

It was noted that eleven of twelve required Monthly Financial Reports were not submitted timely within the required timelines.

**Context:**

Through testing of the specific requirements related to reporting, it was noted that the required Monthly Financial Reports were not submitted timely.

**Effect:**

The untimely reporting of costs to the State result in noncompliance with the requirements set forth in the contractual agreement between the County of Riverside and the State.

COUNTY OF RIVERSIDE, CALIFORNIA

SCHEDULE OF PRIOR YEAR AUDIT FINDINGS AND QUESTIONED COSTS  
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**Cause:**

During the monthly process of gathering and reporting financial information required by the State, the County's Community Health Agency utilizes various internal processes and edit checks to ensure the accuracy of reporting amounts. These processes create difficulties in the completion of the Monthly Financial Reports within the agreed upon 30 day timeline.

**Recommendation:**

We recommend that the County of Riverside develop a method for reasonably monitoring the program's required reporting of costs to the state to ensure timely submittal.

**Status:**

Not implemented. See current year finding 2005-4.

**Finding 2004-5**

**Program:** Highway Planning and Construction

**CFDA No.:** 20.205

**Federal Grantor:** Department of Transportation

**Passed – through:** California Department of Transportation (CALTRANS)

**Award No:** Not Applicable

**Award Year:** Fiscal Year 2003-04

**Compliance Requirement:** Davis-Bacon

**Questioned Costs:** Unknown

**Criteria:**

The Davis-Bacon Act requires that all laborers and mechanics employed by contractors or subcontractors to work on construction contracts in excess of \$2,000 financed by Federal assistance funds must be paid wages not less than those established for the locality of the project (prevailing wage rates) by the Department of Labor. The Code of Federal Regulation (CFR) No. 29 part 5, "Labor Standards Provisions Applicable to Contracts Governing Federally Financed and Assisted Construction" requires that the contractor or subcontractor submit to the non-Federal entity (the County) weekly, for each week in which any contract work is performed, a copy of the payroll and a statement of compliance (certified payrolls). Therefore, the County should maintain procedures to ensure that all certified payrolls are submitted on a timely manner.

**Condition Found:**

It was noted that certified payrolls for 9 workers (7 certified payrolls) from our sample of 40 could not be located.

**COUNTY OF RIVERSIDE, CALIFORNIA**

**SCHEDULE OF PRIOR YEAR AUDIT FINDINGS AND QUESTIONED COSTS  
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**Context:**

The above referenced finding was identified during testing of the Davis-Bacon provisions and inspection of project files.

**Effect:**

The missing certified payrolls result in non-compliance with Davis-Bacon provisions.

**Cause:**

The cause of the missing certified payrolls is attributed to the lack of verification of contractors/subcontractors in the field against the Resident Engineer's Daily Report (on-site inspections)

**Recommendation:**

We recommend that the County implement procedures that would provide improved monitoring of the contractors and subcontractors working on the project and the certified payrolls received. In addition, to strengthen the review process of the certified payroll monitoring, we recommend that the project managers document their review and "spot-checking" of detailed prevailing wage compliance.

**Status:**

Implemented

**Finding 2004-6**

**Program:** Community Development Block Grant (CDBG) and HOME Investment Partnership

**CFDA No.:** 14.218 and 14.239

**Federal Grantor:** Department of Housing and Urban Development

**Passed – through:** Not Applicable

**Award No:** Not Applicable

**Award Year:** Fiscal Year 2003-04

**Compliance Requirement:** Subrecipient Monitoring

**Questioned Costs:** N/A

**Criteria:**

In accordance with OMB Circular A-133, "Pass-Through Entities" should have procedures in place to ensure that subrecipients have required audits performed, issue management decisions on findings and implement corrective actions to findings in a timely manner.

COUNTY OF RIVERSIDE, CALIFORNIA

SCHEDULE OF PRIOR YEAR AUDIT FINDINGS AND QUESTIONED COSTS  
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**Condition Found:**

It was noted that the County includes language in its subrecipient agreements that a single audit report be submitted annually. However, the County does not have formal written policies and procedures in place to require that staff follow up to ensure that subrecipients submit annual single audit reports to the County. Further, there are no formal written policies and procedures to ensure that single audit reports are reviewed or that findings are implemented.

**Context:**

The above referenced finding was identified during testing of the subrecipient files maintained by the County.

**Effect:**

The County, as the primary grant recipient, is responsible for ensuring that subrecipients maintain compliance with federal guidelines. Therefore, the County may become aware of noncompliance by obtaining and reviewing the single audit reports of subrecipients. Accordingly, by not formally obtaining the annual single audit reports, findings or questioned costs may be noted thus impacting the County's compliance.

**Cause:**

No formal policies and procedures exist to ensure that single audit reports of subrecipients are obtained annually.

**Recommendation:**

We recommend that the County implement procedures to ensure that the single audit reports are obtained and reviewed annually.

**Status:**

Implemented

COUNTY OF RIVERSIDE, CALIFORNIA

SUPPLEMENTAL SCHEDULE OF OFFICE OF EMERGENCY SERVICES GRANTS  
 JUNE 30, 2005

Grant #/ Pass-Through Grantor	Description			
MS04060330	Byrne Formula Grant Program - Marijuana Suppression			
Personal Services	\$ 238,294	Federal Portion	\$	250,000
Operating Expenses	11,706	Match		
Total Expenses	<u>\$ 250,000</u>		<u>\$</u>	<u>250,000</u>

Grant #/ Pass-Through Grantor	Description			
DC033Q0330	Byrne Formula Grant Program - Federal Anti - Drug Abuse			
Personal Services	\$ 34,342	Federal Portion	\$	55,625
Operating Expenses	21,283	Match		
Total Expenses	<u>\$ 55,625</u>		<u>\$</u>	<u>55,625</u>

Grant #/ Pass-Through Grantor	Description			
DC04150330	Byrne Formula Grant Program - Federal Anti - Drug Abuse			
Personal Services	\$ 824,192	Federal Portion	\$	1,204,013
Operating Expenses	374,881	Match		
Equipment	4,940			
Total Expenses	<u>\$ 1,204,013</u>		<u>\$</u>	<u>1,204,013</u>

Grant #/ Pass-Through Grantor	Description			
VG 04020330	Byrne Formula Grant Program - Crimes Against a Peace Officers			
Personal Services	\$ 266,624	Federal Portion	\$	275,909
Operating Expenses	9,285	Match		
Total Expenses	<u>\$ 275,909</u>		<u>\$</u>	<u>275,909</u>

Grant #/ Pass-Through Grantor	Description			
BDC 155-04	Juvenile Accountability Incentive Grant (Extension)			
Personal Services	\$ 321,399	Federal Portion	\$	304,483
Operating Expenses	16,915	Match		33,831
Total Expenses	<u>\$ 338,314</u>		<u>\$</u>	<u>338,314</u>

Grant #/ Pass-Through Grantor	Description			
RT 03050330	Residential Substance Abuse Program			
Personal Services	\$ 113,758	Federal Portion	\$	113,758
Total Expenses	<u>\$ 113,758</u>		<u>\$</u>	<u>113,758</u>

COUNTY OF RIVERSIDE, CALIFORNIA

SUPPLEMENTAL SCHEDULE OF OFFICE OF EMERGENCY SERVICES GRANTS, Continued  
 JUNE 30, 2005

Grant #/ Pass-Through Grantor	Description		
RT 04050330	Residential Substance Abuse Program		
Personal Services	\$ 344,302	Federal Portion	\$ 344,302
Total Expenses	\$ 344,302		\$ 344,302

Grant #/ Pass-Through Grantor	Description		
VW 04230330	Victim Witness Assistance Program		
Personal Services	\$ 643,362	Federal Portion	\$ 382,108
Operating Expenses	215,435	Match	
Equipment	3,600	State	480,289
Total Expenses	\$ 862,397		\$ 862,397

Grant #/ Pass-Through Grantor	Description		
SE04070330	Special Emphasis Grant		
Personal Services	\$ 137,500	Federal Portion	\$ 110,000
Operating Expenses		Match	27,500
Total Expenses	\$ 137,500		\$ 137,500

Grant #/ Pass-Through Grantor	Description		
PU 03010330	Violence Against Women Grant		
Personal Services	\$ 52,664	Federal Portion	\$ 40,680
Operating Expenses	1,576	Match	13,560
Total Expenses	\$ 54,240		\$ 54,240

Grant #/ Pass-Through Grantor	Description		
PU 04030330	Violence Against Women Grant		
Personal Services	\$ 115,613	Federal Portion	\$ 89,748
Operating Expenses	4,051	Match	29,916
Total Expenses	\$ 119,664		\$ 119,664

Grant #/ Pass-Through Grantor	Description		
BDC 223-04	State Challenge Activities		
Personal Services	\$ 74,707	Federal Portion	\$ 81,907
Operating Expenses	7,200	Match	
Total Expenses	\$ 81,907		\$ 81,907

**COUNTY OF RIVERSIDE, CALIFORNIA**

**SUPPLEMENTAL SCHEDULE OF OFFICE OF EMERGENCY SERVICES GRANTS, Continued  
JUNE 30, 2005**

<u>Grant #/ Pass-Through Grantor</u>	<u>Description</u>		
EV03020330	Children Exposed to Domestic Violence Program		
Personal Services	\$ 175,524	Federal Portion	\$ 194,071
Operating Expenses	18,547	Match	
Total Expenses	<u>\$ 194,071</u>		<u>\$ 194,071</u>

**Byrne Formula Grant Program Recap**

Marijuana Suppression	\$ 250,000
Federal Anti Drug Abuse Program	1,259,638
Crimes Against a Peace Officers	<u>275,909</u>
Total Federal Expenditures	<u>\$ 1,785,547</u>

COUNTY OF RIVERSIDE, CALIFORNIA

SUPPLEMENTAL SCHEDULE OF CALIFORNIA STATE DEPARTMENT OF AGING GRANTS  
 JUNE 30, 2005

County Program Title	CFDA No.	Federal		State	
		Expenditures	Pass-Through to Subrecipients	Expenditures	Pass-Through to Subrecipients
Senior Community Service Employment Program	17.235	\$ 612,760		\$ 177,004	
Special Programs for the Aging-Title VII, Chapter 3	93.041	25,046		1,141	
Special Programs for the Aging-Title VII, Chapter 2	93.042	61,681	\$ 61,681	9,242	\$ 9,242
Special Program for the Aging - Title III Part D	93.043	98,094		4,439	
Special Program for the Aging - Title III Part B	93.044	1,759,369	510,752	226,985	222,101
Special Program for the Aging - Title III Part C	93.045	2,461,370	1,953,402	288,879	247,672
National Family Caregivers Support	93.052	724,542	249,335		
Nutrition Services Incentive Program	93.053	422,940	409,032		
Medical Assistance Program	93.778	529,425		551,960	
Health Care Financing Research, Demonstrations & Evaluations (HCFA Research)	93.779	46,454	40,907	202,966	186,266
Retired and Senior Volunteer Program	94.002	73,828			
Linkages, Purchase of Services, Brown Bag, ADCR, Senior Companion (CBSP)	N/A			598,785	52,212
Volunteer Recruitment (Volunteer OMB Initiative)	N/A			48,105	48,105
<b>Total</b>		<b>\$ 6,815,509</b>	<b>\$ 3,225,109</b>	<b>\$ 2,109,506</b>	<b>\$ 765,598</b>

