

COUNTY OF MARIN
SINGLE AUDIT REPORT
JUNE 30, 2010

COUNTY OF MARIN

Single Audit Report
For the Year Ended June 30, 2010

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

Board of Supervisors
County of Marin
San Rafael, 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 Marin, as of and for the year ended June 30, 2010, which collectively comprise the County’s basic financial statements and have issued our report thereon dated February 16, 2011. 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. We did not audit the financial statements of the Marin County Redevelopment Agency, the Housing Authority of the County of Marin, and the Marin County Transit District, which represent the following percentages of assets and revenues/additions as of and for the fiscal year ended June 30, 2010:

<u>Opinion Unit</u>	<u>Assets</u>	<u>Revenues/ Additions</u>
Governmental Activities	0.11%	0.36%
Business-Type Activities	83.01%	91.90%
Aggregate Remaining Fund Information	1.34%	1.85%

Those financial statements were audited by other auditors whose report thereon has been furnished to us. This report does not include the results of the other auditors’ testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County of Marin’s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County’s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County’s internal control over financial reporting.

Board of Supervisors
County of Marin
San Rafael, California

Internal Control Over Financial Reporting (continued)

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We have identified a certain deficiency in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs as item 10-FS-1 that we consider to be a material weakness in internal control over financial reporting.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County of Marin'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 or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the County of Marin in a separate letter dated February 16, 2011.

This report is intended solely for the information and use of management, the Board of Supervisors, 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.

Gallina LLP

Roseville, California
February 16, 2011



**INDEPENDENT AUDITOR’S 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
County of Marin
San Rafael, California

Compliance

We have audited the compliance of the County of Marin, 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, 2010. The County of Marin’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 of Marin’s management. Our responsibility is to express an opinion on the County of Marin’s compliance based on our audit.

The County’s basic financial statements include the operations of the following entities, which are not included in the schedule of expenditures of federal awards for the year ended June 30, 2010:

<u>Entity</u>	<u>Federal Expenditures</u>
Housing Authority of the County of Marin	\$ 32,207,828
Marin County Transit District	1,020,762

Our audit, described below, did not include the operations of those entities as those entities were audited separately by other auditors 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

Board of Supervisors
County of Marin
San Rafael, California

Compliance (continued)

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 of Marin'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 of Marin's compliance with those requirements.

In our opinion, the County of Marin 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, 2010. 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 are described in the accompanying schedule of findings and questioned costs as items 10-SA-2 and 10-SA-3.

Internal Control Over Compliance

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 the 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, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Board of Supervisors
County of Marin
San Rafael, California

Internal Control Over Compliance (continued)

We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 10-SA-2 and 10-SA-3 to be material weaknesses.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 10-SA-1 and 10-SA-4 to be significant deficiencies.

Schedule of Expenditures of Federal Awards

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County of Marin, California, as of and for the year ended June 30, 2010, and have issued our report thereon dated February 16, 2011. 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, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The Supplementary Schedules of the California Emergency Management Agency and the Department of Corrections and Rehabilitation Programs Grant Expenditures beginning on page 33 have not been subjected to auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on them.

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.

This report is intended solely for the information and use of management, the Board of Supervisors, 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.

Gallina LLP

Roseville, California
February 16, 2011

COUNTY OF MARIN

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2010

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 Social Services:			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	--	\$ 1,686,259
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program - FSET	10.561	--	104,670
Subtotal			<u>1,790,929</u>
Passed through State Department of Health Services:			
California Nutrition Network	10.550	--	587,358
Women, Infants and Children - Vouchers Redeemed	10.557	--	2,112,279
Special Supplemental Nutrition Program for Women, Infants, and Children - Administrative	10.557	--	960,446
Subtotal			<u>3,660,083</u>
Passed through California Department of Aging:			
Senior Farmers Market	10.576	--	10,000
Total U.S. Department of Agriculture			<u>\$ 5,461,012</u>
<u>U.S. Department of Commerce</u>			
Direct Programs through the National Oceanic and Atmospheric Administration:			
Arroyo Creek Fish Passage	11.463	NA09NMF4630358	20,832
Total U.S. Department of Commerce			<u>\$ 20,832</u>
<u>U.S. Department of Housing and Urban Development</u>			
Direct Programs:			
Community Development Block Grants/Entitlement Grants	14.218*	B-00-UC-06-0004	2,538
Community Development Block Grants/Entitlement Grants	14.218*	B-02-UC-06-0004	26,356
Community Development Block Grants/Entitlement Grants	14.218*	B-03-UC-06-0004	15,873
Community Development Block Grants/Entitlement Grants	14.218*	B-04-UC-06-0004	185,296
Community Development Block Grants/Entitlement Grants	14.218*	B-05-UC-06-0004	262,134
Community Development Block Grants/Entitlement Grants	14.218*	B-06-UC-06-0004	49,426
Community Development Block Grants/Entitlement Grants	14.218*	B-07-UC-06-0004	77,438
Community Development Block Grants/Entitlement Grants	14.218*	B-08-UC-06-0004	263,088
Community Development Block Grants/Entitlement Grants	14.218*	B-09-UC-06-0004	826,857
ARRA - Community Development Block Grants/Entitlement Grants	14.253*	B-09-UY-06-0004	101,687
Community Development Block Grants - Loans	14.218*	--	2,950,056
Subtotal Community Development Block Grant Cluster			<u>4,760,749</u>

* Major Program

COUNTY OF MARIN

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2010

<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 Housing and Urban Development</u> (continued)			
Direct Programs (continued):			
HOME Investment Partnerships Program	14.239	M-03-UC-06-0206	\$ 65,799
HOME Investment Partnerships Program	14.239	M-04-UC-06-0207	77,644
HOME Investment Partnerships Program	14.239	M-05-UC-06-0208	24,809
HOME Investment Partnerships Program	14.239	M-06-UC-06-0209	4,241
HOME Investment Partnerships Program	14.239	M-07-UC-06-0210	159,284
HOME Investment Partnerships Program	14.239	M-08-UC-06-0211	448,978
HOME Investment Partnerships Program - Loans	14.239	--	7,306,160
Subtotal CFDA 14.239 Direct			<u>8,086,915</u>
Subtotal Direct			<u>12,847,664</u>
Passed through San Francisco Redevelopment Agency: AIDS Program			
Housing Opportunities For Persons With AIDS (HOPWA)	14.241	2008-09	6,191
Housing Opportunities For Persons With AIDS (HOPWA)	14.241	2009-10	321,954
Housing Opportunities For Persons With AIDS (HOPWA) - Loans	14.241	--	470,000
Subtotal CFDA 14.241			<u>798,145</u>
Total U.S. Department of Housing and Urban Development			<u>\$ 13,645,809</u>
<u>U.S. Department of Interior</u>			
Passed through National Park Service:			
West Marin Emergency Services	15.000	--	90,915
Total U.S. Department of Interior			<u>\$ 90,915</u>
<u>U.S. Department of Justice</u>			
Direct Programs:			
Stop Abuse & Sexual Assault Against Older Individuals	16.528	2006-EW-AX-K003	26,444
Violence Against Women Act	16.588	03-06-0167-13	225,569
State Criminal Alien Assistance Programs (SCAAP)	16.606	--	339,746
Subtotal			<u>591,759</u>
Passed through California Emergency Management Agency:			
Child Abuse Treatment Program	16.575	AT 08050210	41,664
Child Abuse Treatment Program	16.575	AT 09060210	107,790
Victim Witness Assistance Program	16.575	VW 09280210	82,605
ARRA - VAWA Stimulus Victim Witness Assistance	16.588	RV 09010210	12,231
ARRA - Vertical Prosecution Recovery Act Program	16.588	VP 09010210	254,915
ARRA - VOCA Stimulus Victim Witness Assistance	16.801	VS 09010210	18,159

COUNTY OF MARIN

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2010

<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 Justice</u> (continued)			
Passed through California Emergency Management Agency (continued):			
ARRA - Evidence-Based Probation Supervision Recovery Act Program	16.804	ZP090010210	\$ 3,319
ARRA - STAR Program	16.804	--	75,755
Subtotal			<u>596,438</u>
Passed through California Department of Corrections and Rehabilitation:			
Juvenile Accountability Incentive Block Grant	16.523	CSA 129-09	15,606
Juvenile Accountability Incentive Block Grant-AMYVPT	16.523	CSA 129-09AMYVPT	9,814
Enhanced DMC - Technical Assistance Program II	16.540	CSA 359-09	41,556
Title II Formula Grants	16.540	CSA 351-08	463,070
Coordination of Probation Enforcement	16.738	DC 09110210	222,108
Subtotal			<u>752,154</u>
Total U.S. Department of Justice			<u>\$ 1,940,351</u>
<u>U.S. Department of Labor</u>			
Passed through State Employment and Training Administration:			
WIA - Title I Adult Formula	17.258*	--	338,051
ARRA - WIA - Title I Adult Formula	17.258*	--	302,939
WIA - Title I Youth Formula	17.259*	--	316,183
ARRA - WIA - Title I Youth Formula	17.259*	--	266,557
WIA - Title I Dislocated Workers	17.260*	--	503,052
ARRA - WIA - Title I Dislocated Workers	17.260*	--	316,361
WIA - Rapid Response	17.260*	--	165,297
ARRA - WIA - Rapid Response	17.260*	--	114,646
Subtotal			<u>2,323,086</u>
Passed through California Department of Aging:			
Title V - Senior Community Service Employment Program	17.235	TV0708-05	100,862
ARRA - Title V - Senior Community Service Employment Program	17.235	--	21,079
Subtotal			<u>121,941</u>
Total U.S. Department of Labor			<u>\$ 2,445,027</u>
<u>U.S. Department of Transportation</u>			
Direct Program:			
Airport Improvement Program	20.106	03-06-0167-13	878,543
Subtotal			<u>878,543</u>

* Major Program

COUNTY OF MARIN

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2010

<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 Transportation</u> (continued)			
Passed through State Department of Transportation:			
Highway Planning and Construction	20.205*	NMTPL-5927(051)	\$ 861,115
Highway Planning and Construction	20.205*	NMTPL-5927(056)	440,083
Highway Planning and Construction	20.205*	NMTPL-5927(058)	284,038
Highway Planning and Construction	20.205*	PLHL-5927(024)	33,945
Highway Planning and Construction	20.205*	NMPTL-5927(055)	726,726
Highway Planning and Construction	20.205*	SRTSL-5927(061)	33,400
Highway Planning and Construction	20.205*	NMPTL-5927(067)	16,347
Highway Planning and Construction	20.205*	PLHL-5927(064)	317,573
Highway Planning and Construction	20.205*	NMTPL-5927(057)	1,262
Highway Planning and Construction	20.205*	STPL-5927(038)	3,009,635
Highway Planning and Construction	20.205*	NMTPL-5927(065)	6,430
ARRA - Highway Planning and Construction	20.205*	ESPL-5927(068)	1,507,394
Subtotal			<u>7,237,948</u>
Total U.S. Department of Transportation			\$ <u>8,116,491</u>
<u>U.S. National Endowment for the Humanities</u>			
Passed through State of California Library:			
Public Library Staff Education Grant	45.310	LSTA #40-7367	4,911
Teen Science & Math Enrichment Program Grant	45.310	LSTA #40-7474	4,979
Total U.S. National Endowment for the Humanities			\$ <u>9,890</u>
<u>U.S. Environmental Protection Agency</u>			
Passed through California Department of Public Health:			
Beach Monitoring and Notification Program Grants	66.472	08-85532	9,245
Beach Monitoring and Notification Program Grants	66.472	09-11375	15,241
Marshall East Shore Phase II & Woodacre Flats	66.472	XP97964201-5	53,745
Total U.S. Environmental Protection Agency			\$ <u>78,231</u>

* Major Program

COUNTY OF MARIN

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2010

<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 Education</u>			
Passed through State Department of Rehabilitation:			
Rehabilitation Services - Vocational Rehabilitation Grants to States	84.126	--	\$ 61,241
Passed through State Department of Education:			
Safe and Drug Free Schools	84.186	--	196,956
IDEA	84.325	--	1,385,783
Subtotal			<u>1,582,739</u>
Total U.S. Department of Education			\$ <u>1,643,980</u>
<u>U.S. Election Assistance Commission</u>			
Passed through California Secretary of State:			
VoteCal Discovery Sessions	90.401	--	<u>10,394</u>
Total U.S. Election Assistance Commission			\$ <u>10,394</u>
<u>U.S. Department of Health and Human Services</u>			
Passed through California Department of Aging:			
Title VII - Elder Abuse	93.041	AP0708-05	2,272
Title VII - Ombudsman	93.042	AP0708-05	26,102
Title IIID - Disease Prevention	93.043	AP0708-05	15,143
Title IIIB - Supportive Services	93.044	AP0708-05	498,198
Title IIIC - Congregate and Home Delivered Nutrition	93.045	AP0708-05	496,902
Title IIIE - Family Caregiver	93.052	AP0708-05	48,386
Nutrition Services Incentive Program	93.053	AP0708-05	55,937
ARRA - Title IIIC2 - Congregate and Home Delivered Nutrition	93.705	--	18,362
ARRA - Title IIIC1- Congregate	93.707	--	48,398
Subtotal			<u>1,209,700</u>
Passed through State Department of Social Services:			
Promoting Safe and Stable Families	93.556	--	105,046
Temporary Assistance for Needy Families	93.558*	--	966,377
CalWORKS	93.558*	--	10,300,319
Child Support Enforcement	93.563	--	2,092,852
ARRA - Child Support Enforcement	93.563	--	412,348
Refugee Cash Assistance	93.566	--	44,398
Child Welfare Services – State Grants	93.645	--	61,872
Children's Services	93.645	--	315,366
CWS IV-E	93.658	--	792,861
Foster Care – Title IV-E	93.658	--	1,199,408

* Major Program

COUNTY OF MARIN

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2010

<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 Health and Human Services</u> (continued)			
Passed through State Department of Social Services (continued):			
ARRA - Foster Care - Title IV-E	93.658	--	\$ 53,884
SACWIS	93.658	--	16,434
Adoption Assistance Program	93.659	--	896,244
ARRA - Adoption Assistance Program	93.659	--	85,429
CWS - Title XX	93.667	--	439,953
Licensing	93.667	--	55,331
Independent Living Program	93.674	--	92,347
Office of Refugee Resettlement	93.676	HHSP23320072903YB	48,483
ARRA - CalWORKS - ECF	93.714*	--	2,304,065
In-Home Support Services	93.778*	--	1,056,787
ARRA - In-Home Support Services - Public Authority	93.778*	--	158,892
Subtotal			<u>21,498,696</u>
Passed through State Department of Health Care Services:			
Emergency Preparedness - Lab	93.065	--	123,476
Public Health Emergency Preparedness Program	93.069	--	137,633
Tuberculosis Control Program	93.116	--	30,000
Child Lead Poisoning Prevention	93.197	--	45,823
Family Planning Title X	93.217	--	95,563
Community Challenge Grant	93.217	--	173,170
Immunization Assistance Program	93.268	--	63,859
Public Health Preparedness - H1N1	93.283	--	721,165
Medical Assistance Program/MAA/TCM	93.778*	--	2,950,868
Child Health Development and Prevention	93.778*	--	450,596
Bioterrorism Hospital Preparedness Program	93.889	--	229,516
Maternal and Child Health Services	93.994	200721	479,000
Subtotal			<u>5,500,669</u>
Passed through City and County of San Francisco Department of Public Health:			
HIV Emergency Relief Formula Grant	93.914	--	<u>899,657</u>
Passed through the State Department of Mental Health:			
Projects for Assistance in Transition from Homelessness (PATH)	93.150	--	73,755
Substance Abuse and Mental Health Services Administration (SAMHSA)	93.958	--	520,866
Subtotal			<u>594,621</u>

* Major Program

COUNTY OF MARIN

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2010

<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 Health and Human Services</u> (continued)			
Passed through State Department of Alcohol and Drug Abuse Programs:			
Block Grants for Prevention and Treatment of Substance Abuse (SAPT)	93.959	--	\$ 1,653,842
Federal Drug Medi-Cal	93.778*	--	236,946
ARRA - Federal Drug Medi-Cal	93.778*	--	54,923
Subtotal			<u>1,945,711</u>
 Total U.S. Department of Health and Human Services			 <u>\$ 31,649,054</u>
 <u>U.S. Department of Homeland Security</u>			
Passed through State Office of Homeland Security:			
Urban Areas Security Initiative	97.008	--	362,074
Urban Areas Security Initiative	97.008	--	20,033
Homeland Security Grant	97.073	--	272,754
Homeland Security Grant	97.073	--	229,946
Homeland Security Grant	97.073	--	202,288
Subtotal			<u>1,087,095</u>
 Passed through California Emergency Management Agency:			
Disaster Grants - Public Assistance	97.036	--	268,318
Emergency Management Performance Grant	97.042	--	110,313
Subtotal			<u>378,631</u>
 Total U.S. Department of Homeland Security			 <u>\$ 1,465,726</u>
 Total Expenditures of Federal Awards			 <u>\$ 66,577,712</u>

* Major Program

COUNTY OF MARIN

Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2010

Note 1: **Reporting Entity**

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs of the County of Marin, except for those activities of the *Housing Authority of the County of Marin* and the *Marin County Transit District*. The County of Marin’s reporting entity is defined in Note 1 to the County’s basic financial statements. Federal awards received directly from federal agencies as well as federal awards passed through other government agencies are included in the schedule. The *Housing Authority of the County of Marin* and the *Marin County Transit District* are component units of the County. Separate reports have been issued for the *Housing Authority of the County of Marin* and the *Marin County Transit District* by other auditors.

The expenditures incurred under federal award programs audited by other auditors are as follows:

<u>Entity</u>	<u>Federal Expenditures</u>
Housing Authority of the County of Marin	\$ 32,207,828
Marin County Transit District	1,020,762

Note 2: **Basis of Accounting**

The accompanying Schedule of Expenditures of Federal Awards is prepared on a modified 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 Fund and Other Governmental funds.

COUNTY OF MARIN

Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2010

Note 4: **Program Clusters**

Federal programs, which are considered together as a program cluster, include the following:

<u>Federal CFDA</u>	<u>Program Title</u>	<u>Federal Expenditures</u>
<u>WIA Cluster:</u>		
17.258	WIA – Title I Adult Formula	\$ 338,051
17.258	ARRA – WIA Title I Adult Formula	302,939
17.259	WIA – Title I Youth Formula	316,183
17.259	ARRA – WIA Title I Youth Formula	266,557
17.260	WIA – Title I Dislocated Workers	503,052
17.260	ARRA – WIA Title I Dislocated Workers	316,361
17.260	WIA – Rapid Response	165,297
17.260	ARRA – WIA – Rapid Response	<u>114,646</u>
	TOTAL	<u>\$ 2,323,086</u>
<u>Aging Cluster:</u>		
93.044	Title IIIB – Supportive Services	498,198
93.045	Title IIIC – Congregate & Home Delivered Nutrition	496,902
93.053	Nutrition Services Incentive Program	55,937
93.705	ARRA – Title IIIC2 – Congregate Home Delivered Nutrition	18,362
93.707	ARRA – Title IIIC1 – Congregate	<u>48,398</u>
	TOTAL	<u>\$ 1,117,797</u>
<u>TANF Cluster:</u>		
93.558	Temporary Assistance for Needy Families	966,377
93.558	CalWORKS	10,300,319
93.714	ARRA – CalWORKS - ECF	<u>2,304,065</u>
	TOTAL	<u>\$ 13,570,761</u>

COUNTY OF MARIN

Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2010

Note 5: **Subrecipients**

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

Federal CFDA	Program Title	Amount
14.218	Community Development Block Grant Program	\$ 1,356,440
14.239	HOME Investment Partnership Program	710,530
14.241	Housing Opportunities for Persons with AIDS Program	320,190
14.253	ARRA - Community Development Block Grant Program	97,977
15.000	West Marin Emergency Services	90,915
16.575	Child Abuse Treatment Program	136,069
16.588	Violence Against Women Act	225,569
17.258	ARRA – WIA Title I Adult Formula	302,939
17.259	WIA Title I Youth Formula	288,282
17.259	ARRA – WIA Title I Youth Formula	266,557
17.260	ARRA – WIA Title I Dislocated Workers	420,910
17.260	ARRA – WIA Rapid Response	114,646
84.325	IDEA	1,385,783
84.126	Vocational Rehabilitation	61,241
84.186	Safe and Drug Free Schools	196,956
93.044	Title IIIB – Supportive Services	498,198
93.045	Title IIIC – Congregate and Home Delivered Nutrition	496,902
93.052	Title IIIE – Family Caregiver	48,386
93.150	PATH	73,755
93.705	ARRA – Title IIIC2 – Congregate and Home Delivered Nutrition	18,362
93.707	ARRA – Title IIIC1 – Congregate	48,398
93.958	SAMHSA	520,866
93.959	Substance Abuse Prevention and Treatment Block Grant	1,653,842
97.073	Homeland Security Grant	<u>145,452</u>
	Total	<u>\$ 9,479,165</u>

COUNTY OF MARIN

Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2010

Note 6: **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.

Note 7: **Department of Aging Federal/State Share**

The California Department of Aging (CDA) requires agencies who receive CDA funding to display state-funded expenditures discretely along with federal expenditures. The County expended the following state and federal amounts under these grants:

<u>CFDA</u>	<u>Grant No.</u>	<u>Federal Expenditures</u>	<u>State Expenditures</u>
10.576	--	\$ 10,000	\$ --
17.235	TV0708-05	100,862	--
17.235	--	21,079	--
93.041	AP0708-05	2,272	--
93.042	AP0708-05	26,102	--
93.043	AP0708-05	15,143	--
93.044	AP0708-05	498,198	--
93.045	AP0708-05	496,902	35,678
93.052	AP0708-05	48,386	--
93.053	AP0708-05	55,937	--
93.705	--	18,362	--
93.707	--	48,398	--
CBSP	--	--	124,183
OVRI	--	--	26,146
		\$ 1,341,641	\$ 186,007
Total		\$ 1,341,641	\$ 186,007

COUNTY OF MARIN

Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2010

Note 8: **Loans Outstanding**

The following program had federally-funded loans outstanding at June 30, 2010:

Federal CFDA#	Program Title	Amount Outstanding	
		July 1, 2009	June 30, 2010
14.218	Community Development Block Grants/ Entitlement Grants	\$ 2,950,056	\$ 3,504,506
14.239	HOME Investment Partnerships Program	7,306,160	8,771,167
14.241	Housing Opportunities for Persons with AIDS (HOPWA)	<u>470,000</u>	<u>470,000</u>
	Total	<u>\$ 10,726,216</u>	<u>\$ 12,745,673</u>

COUNTY OF MARIN

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2010

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? | Yes |
| 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: | 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: | |

CFDA Number

Name of Federal Program

- | | |
|--------|--|
| 10.557 | Special Supplemental Nutrition Program for Women, Infants and Children |
| 14.218 | Community Development Block Grants/Entitlement Grants |
| 14.253 | ARRA - Community Development Block Grants/Entitlement Grants |

WIA Cluster

- | | |
|--------|--|
| 17.258 | Work Investment Act Adult Program |
| 17.259 | Work Investment Act Youth Activities |
| 17.260 | Work Investment Act Dislocated Workers |

COUNTY OF MARIN

Schedule of Findings and Questioned Costs For the Year Ended June 30, 2010

Section 1 (continued)

Federal Awards (continued)

4. Identification of major programs: (continued)

CFDA Number

Name of Federal Program

20.205

Highway Planning and Construction

TANF Cluster

93.558

Temporary Assistance for Needy Families
ARRA – CalWORKS – ECF

93.714

93.563

Child Support Enforcement

93.778

Medical Assistance Program

5. Dollar Threshold used to distinguish between Type A and Type B programs:

\$1,997,445

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

No

Section 2

Financial Statement Findings

SEFA Reporting

Finding 10-FS-1

Section 3

Federal Award Findings and Questioned Costs

CFDA 14.218 and 14.253

Finding 10-SA-1

CFDA 20.205

Finding 10-SA-2

CFDA 93.778, 93.558 and 93.714

Finding 10-SA-3

CFDA 93.778, 93.558, 93.714, 17.258, 17.259 and 17.260

Finding 10-SA-4

COUNTY OF MARIN

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2010

Audit Reference Number	Findings/Noncompliance						
Finding 10-FS-1	<p><i>SEFA Preparation</i> <i>Reporting Requirement: Material Weakness</i></p> <p><u>Criteria</u></p> <p>OMB Circular A-133 § 310(b) provides that auditees undergoing a federal single audit prepare a Schedule of Expenditures of Federal Awards (SEFA) listing individual programs by federal agency and Catalog of Federal Domestic Assistance (CFDA) number.</p> <p>The County must have proper internal controls over financial reporting in place. Proper internal controls over financial reporting include, but are not limited to, internal controls that identify misstatements in the SEFA, retaining staff competent in SEFA reporting and related oversight roles, and adequate design of internal control over the preparation of the SEFA. Good internal controls and Circular A-133 require the County to do a reconciliation between the expenditures reported on the general ledger and the federal expenditures reported on the SEFA.</p> <p><u>Condition</u></p> <p>During our testing of the amounts reported on the SEFA and related reconciliations we found the following programs overstated the amounts originally reported on the SEFA.</p> <table><tr><td>20.205 – Highway Planning and Construction</td><td style="text-align: right;">\$ 4,709,110</td></tr><tr><td>93.558 – Temporary Assistance for Needy Families</td><td style="text-align: right;"><u>2,513,712</u></td></tr><tr><td style="text-align: right;">Total</td><td style="text-align: right;"><u>\$ 7,222,822</u></td></tr></table> <p><u>Cause</u></p> <p>Highway Planning and Construction was overstated due to the County reporting 100% of project expenditures as federal for grant STPL-5927(038) when just over 50% were actually federal expenditures.</p> <p>Temporary Assistance for Needy Families (TANF) was overstated due to the County reporting 97.5% of the TANF assistance payments as federal. However, per an information notice from the California Department of Social Services the federal percentage to use for TANF assistance payments during fiscal year 2009-10 is 57.4%.</p>	20.205 – Highway Planning and Construction	\$ 4,709,110	93.558 – Temporary Assistance for Needy Families	<u>2,513,712</u>	Total	<u>\$ 7,222,822</u>
20.205 – Highway Planning and Construction	\$ 4,709,110						
93.558 – Temporary Assistance for Needy Families	<u>2,513,712</u>						
Total	<u>\$ 7,222,822</u>						

COUNTY OF MARIN

Schedule of Findings and Questioned Costs For the Year Ended June 30, 2010

Audit Reference Number	Findings/Noncompliance
Finding 10-FS-1 (continued)	<p data-bbox="513 394 764 426"><u>Effect of Condition</u></p> <p data-bbox="513 468 1455 604">Reporting incorrect amounts on the SEFA can result grantors requiring the SEFA to be reissued. This can also cause the auditor to incorrectly determine major programs for the year which may result in additional programs being audited and additional audit fees.</p> <p data-bbox="513 653 740 684"><u>Recommendation</u></p> <p data-bbox="513 726 1455 936">We recommend that all County personnel involved in the SEFA reporting process carefully review Section 205 – Basis for determining Federal awards expended in OMB A-133 prior to reporting federal expenditures for each year. We also recommend that grant agreements and other letters from grantors are reviewed to determine what percent of allowable costs are considered federal for each grant or program.</p> <p data-bbox="513 984 834 1016"><u>Management’s Response</u></p> <p data-bbox="513 1058 1455 1304">Highway Planning and Construction – The Department of Public Works submits information to the Department of Finance (DOF) based on SAP reports. We reported the amounts supported by SAP, however the SAP supporting documents do not allocated between Federal and State funding. Allocations are found in the claims to the State. In the future, DPW will ensure that documents submitted to the DOF for SEFA, only include federal funds.</p> <p data-bbox="513 1352 1455 1829">Temporary Assistance for Needy Families – The amount on the SEFA report was taken from the template provided by the State for our Assistance claims. The State report combines the Federal/State share of TANF (97.5%) and that was what we reported on the SEFA report. During the course of the Audit, it was pointed out that there is a letter issued by the State that provides a revised allocation of the Federal and State dollars associated with TANF. We were not aware that this letter existed, the department did not receive a copy from the State. The TANF program has been in effect since July 1997, and our department has never seen this letter issued by the State. HHS has contacted the State Department of Social Services to insure that the letter is sent directly to Health and Human Services Office of Finance in the future and use the Federal/State sharing estimated provided in this letter to calculate the reported expenditures on the SEFA.</p>

COUNTY OF MARIN

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2010

Audit Reference Number	Findings/Noncompliance
<p>Finding 10-SA-1</p> <p>Community Development Block Grants/ Entitlement Grant CFDA 14.218</p>	<p><i>Federal Grantor:</i> U.S. Department of Housing and Urban Development</p> <p><i>Pass-Through Entity:</i> Direct Program</p> <p><i>Compliance Requirement:</i> Allowable Costs/Activities</p> <p><i>Reporting Requirement:</i> Significant Deficiency</p> <p><u>Criteria</u></p>
<p>ARRA - Community Development Block Grants/ Entitlement Grant CFDA 14.253</p> <p>Award No. various Year: 2009/2010</p>	<p>Direct payroll charges to federal grants for employee time spent on grant functions must be supported with the documentation required by OMB Circular A-87. Where the applicable employees worked on an allowable grant activity as well as non-grant related activities and/or activities related to other grants, required documentation consists of reports signed by each employee accounting for the total number of hours worked and showing an actual distribution of those hours to grant and non-grant functions. These reports must be prepared at least monthly and should coincide with one or more pay periods. Substitute methods may be used, but only if such methods have been approved by the Federal agency overseeing the grant (2 CFR 225, Appendix B § (8)(h)).</p> <p>Individuals working on only one federal program can sign a statement every six months that they worked only on that program in lieu of preparing personnel activity reports.</p> <p><u>Condition</u></p> <p>We found that there were two employees who charged time to the CDBG program and they also worked on other programs throughout the year. Both employees maintained time records to track hours spent on each program, but only one employee signed and had the supervisor sign the time record. The other employee's time records were not signed or approved by a supervisor.</p> <p>We also found that there was another employee that charged 100% of their time to CDBG but there were no signed statements to document that all time was in fact spent on CDBG.</p> <p><u>Questioned Costs</u></p> <p>Although the time records kept were deficient according to the standards established by OMB Circular A-87, we do not question costs because documentation was available to substantiate the work performed on the grant.</p>

COUNTY OF MARIN

Schedule of Findings and Questioned Costs For the Year Ended June 30, 2010

Audit Reference Number	Findings/Noncompliance
Finding 10-SA-1 (continued)	<u>Perspective</u>
Community Development Block Grants/ Entitlement Grant CFDA 14.218	No further perspective.
ARRA - Community Development Block Grants/ Entitlement Grant CFDA 14.253	<u>Effect of Condition</u>
Award No. various Year: 2009/2010	If reports are not signed and reviewed or otherwise verifiably authorized by employees and supervisors, the time records could be modified without the employees' approval, resulting in incorrect payroll charges to federal awards.
	<u>Recommendation</u>
	We recommend that department employees who perform any work on grant functions periodically print and sign the excel spreadsheets they currently keep electronically, and that they also ensure that spreadsheets account for total personnel time spent for the period. Spreadsheets could be routinely signed at the same time as the preparation of timecards for the payroll process.
	<u>Corrective Action Plan</u>
	Two employees split their time among several federally-funded programs. For each pay period, they will prepare a standard SAP timesheet and a supplement which will list the number of hours spent each day working on each federal program. Both pages will be signed by the employee, reviewed by the employee's supervisor, and signed by the employee's supervisor.
	For pay periods when employees spend all their time on the Community Development Block Grant Program, they will write on their timesheet, "All work hours were spent on the CDBG Program." The timesheet will be signed by the employee, reviewed by the employee's supervisor, and signed by the employee's supervisor. For any pay periods when employees work on more than one federally-funded program, they will follow the timesheet procedure outlined above.
	The contact person for this corrective action plan is the Community Development Coordinator. The telephone number is 415-499-6698.

COUNTY OF MARIN

Schedule of Findings and Questioned Costs For the Year Ended June 30, 2010

Audit Reference Number	Findings/Noncompliance
Finding 10-SA-2	<i>Federal Grantor: U.S. Department of Transportation</i> <i>Pass-Through Entity: State Department of Transportation</i> <i>Compliance Requirement: Procurement, Suspension and Debarment</i> <i>Reporting Requirement: Material Weakness and</i> <i>Material Noncompliance in Relation to a</i> <i>Compliance Supplement Audit Objective</i>
Highway Planning and Construction CFDA 20.205	
ARRA – Highway Planning and Construction CFDA 20.205	<u>Criteria</u> When engaging in any federally-funded transaction which equals or exceeds \$25,000 with a vendor or a transaction in any amount with a subrecipient, the non-federal entity is obligated to determine if the other party is suspended or debarred. As well, the debarment rules provide that this requirement must be imposed on, and relevant information must be provided to, all subrecipients of federal funds. OMB A-133 Compliance Supplement, Part 3, §I – Procurement, Suspension and Debarment. Also see Federal Register 68FR66583–66632.
Award No. various Year: 2009-2010	
	<u>Condition</u> We tested transactions where a service provider was paid in excess of \$25,000 during the fiscal year and noted that suspension and debarment was not checked for the transactions tested. However, we do note that the County checked for suspension and debarment shortly after the audit occurred and determined that no transaction tested was with a suspended or debarred entity or person.
	<u>Questioned Costs</u> No costs are questioned. As mentioned above, the epls.gov website was checked and no vendor in the sample was suspended or debarred.
	<u>Perspective</u> It appears that the department properly checked for suspension and debarment on all construction contractors but that they did not do so for engineers.

COUNTY OF MARIN

Schedule of Findings and Questioned Costs For the Year Ended June 30, 2010

Audit Reference Number	Findings/Noncompliance
Finding 10-SA-2 (continued)	<u>Effect of Condition</u>
Highway Planning and Construction CFDA 20.205	The federal government can reject a claim for reimbursement of federal funds when the transaction is with a suspended or debarred individual or entity.
ARRA – Highway Planning and Construction CFDA 20.205	<u>Recommendation</u>
Award No. various Year: 2009-2010	We recommend that the Department implement procedures to ensure that suspension and debarment are checked for any federally-funded transaction, which equals or exceeds \$25,000 or for any amount with a subrecipient. A list of suspended and debarred parties is available online from the Excluded Parties List System at < http://www.epls.gov >.
	<u>Corrective Action Plan</u>
	The Marin County Public Works department will implement a new process by including non-debarment certification on all construction and professional services contracts.
	The contact person for this corrective action plan is the Deputy Director - Public Works. The telephone number is 415-499-3725.

COUNTY OF MARIN

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2010

Audit Reference Number	Findings/Noncompliance
Finding 10-SA-3	<i>Federal Grantor: U.S. Department of Health and Human Services</i>
Medical Assistance Program CFDA 93.778	<i>Pass-Through Entity: State Departments of Social Services, Health Care Service and Alcohol and Drug Abuse Programs</i>
ARRA – Medical Assistance Program CFDA 93.778	<i>Compliance Requirement: Allowable Costs/Activities</i> <i>Reporting Requirement: Material Weakness and Material Noncompliance in Relation to a Compliance Supplement Audit Objective</i>
Award No. n/a Year: 2009-2010	<u>Criteria</u> When engaging in any federally-funded transaction which equals or exceeds \$25,000 with a vendor or a transaction in any amount with a subrecipient, the non-federal entity is obligated to determine if the other party is suspended or debarred. As well, the debarment rules provide that this requirement must be imposed on, and relevant information must be provided to, all subrecipients of federal funds. OMB A-133 Compliance Supplement, Part 3, §I – Procurement, Suspension and Debarment. Also see Federal Register 68FR66583–66632.
and Temporary Assistance for Needy Families CFDA 93.558	<u>Condition</u>
ARRA – CalWORKS – ECF CFDA 93.714	We tested all payments to vendors over \$25,000 and found that the County had not properly determined whether the vendor was suspended or debarred for any vendors tested.
Award No. n/a Year: 2009-2010	<u>Questioned Costs</u> No costs are questioned. Using epls.gov we determined that none of the vendors were suspended or debarred.
	<u>Perspective</u>
	Thirteen payments were made to 10 vendors for which the County should have checked for suspension or debarment. As stated in the condition, this was done for none of these vendors.

COUNTY OF MARIN

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2010

Audit Reference Number	Findings/Noncompliance
Finding 10-SA-3 (continued)	<u>Effect of Condition</u>
Medical Assistance Program CFDA 93.778	The federal government can reject a claim for reimbursement of federal funds when the transaction is with a suspended or debarred individual or entity.
ARRA – Medical Assistance Program CFDA 93.778	<u>Recommendation</u>
Award No. n/a Year: 2009-2010	We recommend that the Department implement procedures to ensure that suspension and debarment are checked for any federally-funded transaction, which equals or exceeds \$25,000 or for any amount with a subrecipient. A list of suspended and debarred parties is available online from the Excluded Parties List System at < http://www.epls.gov >.
and Temporary Assistance for Needy Families CFDA 93.558	<u>Corrective Action Plan</u>
ARRA – CalWORKS – ECF CFDA 93.714	The Health and Human Services department will insure debarment certificates are obtained for existing contracts as required and attach to the Purchase Order document in SAP. The Department is also currently working on revising the contract template to include this requirement on future contracts. Going forward, staff are being trained to check the Excluded Parties List system (EPLS) and print out the validation that the entity is not on this list.
Award No. n/a Year: 2009-2010	The contact person for this corrective action plan is the Chief Fiscal Officer – Health and Human Services. The telephone number is 415-499-6843.

COUNTY OF MARIN

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2010

Audit Reference Number	Findings/Noncompliance
Finding 10-SA-4	<i>Federal Grantor: U.S. Department of Health and Human Services and U.S. Department of Labor</i> <i>Pass-Through Entity: State Departments of Social Services</i> <i>Compliance Requirement: Allowable Costs/Activities</i> <i>Reporting Requirement: Significant Deficiency</i>
Medical Assistance Program CFDA 93.778	<u>Criteria</u>
ARRA – Medical Assistance Program CFDA 93.778	Direct payroll charges to federal grants for employee time spent on grant functions must be supported with the documentation required by OMB Circular A-87. Where the applicable employees worked on an allowable grant activity as well as non-grant related activities and/or activities related to other grants, required documentation consists of reports signed by each employee accounting for the total number of hours worked and showing an actual distribution of those hours to grant and non-grant functions. These reports must be prepared at least monthly and should coincide with one or more pay periods. Substitute methods may be used, but only if such methods have been approved by the Federal agency overseeing the grant (2 CFR 225, Appendix B § (8)(h)).
and	<u>Condition</u>
Temporary Assistance for Needy Families CFDA 93.558	We tested 40 timestudies which included tracing the hours on the timestudy to the hours input into the County Expense Claim (CEC). We found that the hours on the timestudy did not match the hours on the CEC for 3 of the timestudies tested.
ARRA – CalWORKS – ECF CFDA 93.714	<u>Questioned Costs</u>
and	No costs are questioned. These errors only affect the allocation of costs to the various programs claimed through the CEC.
Workforce Investment Act CFDA 17.258, 17.259 and 17.260	<u>Perspective</u>
ARRA -Workforce Investment Act CFDA 17.258, 17.259 and 17.260	One of the exceptions was a clerical error in which 16 hours were charged to CWS training but should have been charged to Preserving Safe and Stable Families.
For all above programs: Award No. n/a Year: 2009-2010	

COUNTY OF MARIN

Schedule of Findings and Questioned Costs For the Year Ended June 30, 2010

<u>Audit Reference Number</u>	<u>Findings/Noncompliance</u>
Finding 10-SA-4 (continued)	<u>Perspective</u> (continued)
Medical Assistance Program CFDA 93.778	The other two exceptions were related to the different Workforce Investment Act programs. The hours in total matched but the allocation of hours did not. It appears that these differences were to correct the hours as a result of reviews done by the department. However, the department did not obtain corrected timestudies to properly document the changes.
ARRA – Medical Assistance Program CFDA 93.778	<u>Effect of Condition</u>
and	When the hours input into the CEC do not match timestudies it results in some programs being charged more than allowed and others less.
Temporary Assistance for Needy Families CFDA 93.558	<u>Recommendation</u>
	We recommend that the Department obtain signed and corrected timestudies for any changes that they make in hours as a result of their reviews.
ARRA – CalWORKS – ECF CFDA 93.714	<u>Corrective Action Plan</u>
and	In May of 2009 the fiscal office changed the system in which staff completes their time study. We changed from a paper process to an electronic process. The change was quite extreme. A total review of all staff reported time took place to ensure that time was being recorded in the proper cost pool. This review was done by a consultant and the Assistant CFO. Identifying staff and cost pools ensures that they are being claimed to the proper funding source on the County Expense Claim (CEC). Upon review when the month was complete a few errors were identified. This resulted in requiring a correction to the reported time. The time studies were corrected but new signed time studies were never received from staff. Fiscal staff is aware that a time study is a legal document and affects claiming on the County Expense claim and has been advised that a new signed time sheet needs to be collected if corrections are made. Since May additional training has taken place for fiscal and field staff to ensure everyone is aware of the new process.
Workforce Investment Act CFDA 17.258, 17.259 and 17.260	
ARRA -Workforce Investment Act CFDA 17.258, 17.259 and 17.260	
For all above programs: Award No. n/a Year: 2009-2010	The contact person for this corrective action plan is the Chief Fiscal Officer – Health and Human Services. The telephone number is 415-499-6843.

COUNTY OF MARIN

Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2010

Audit Reference Number	Status of Prior Year Audit Findings
Finding 09-SA-1	<i>Federal Grantor: U.S. Department of Agriculture</i> <i>Pass-Through Entity: State Department of Social Services</i> <i>Compliance Requirement: Special Tests</i> <i>Reporting Requirement: Significant Deficiency and</i> <i>Material Noncompliance in Relation to a</i> <i>Compliance Supplement Audit Objective</i>
Supplemental Nutrition Assistance Program and the State Administrative Matching Grants for the Supplemental Nutrition Assistance Program CFDA 10.551 & 10.561	<u>Condition</u> We inquired about the daily reconciliations between the EBT system and the county's eligibility system (ISAWS) and were informed that the daily reconciliations were not being done and that the County was not aware of this requirement.
Award No. n/a Year: 2008/2009	<u>Recommendation</u> We recommend that the County perform and document its daily EBT Food Stamp reconciliations. The County might consider using a spreadsheet which cumulatively shows the reconciliations, along with maintaining the backup on reconciling items for at least one year.
	<u>Status</u> Implemented.

COUNTY OF MARIN

Summary Schedule of Prior Audit Findings For the Year Ended June 30, 2010

Audit Reference Number	Status of Prior Year Audit Findings
Finding 09-SA-2	<i>Federal Grantor: U.S. Department of Health and Human Services</i> <i>Pass-Through Entity: State Department of Social Services</i> <i>Compliance Requirement: Eligibility/Special Tests (IEVS)</i> <i>Reporting Requirement: Significant Deficiency and Material Noncompliance in Relation to Major Program</i>
Temporary Assistance for Needy Families CFDA 93.558	
Award No. n/a Year: 2008-2009	<u>Condition</u> We tested forty cases and noted that four cases did not have current IEVS documents for all active individuals on the cases and one case had current IEVS but they had not been signed and dated by the Eligibility Worker.
	<u>Recommendation</u> 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.
	<u>Status</u> Implemented. This requirement was tested in forty cases in the current year audit with no exceptions.

COUNTY OF MARIN

Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2010

Audit Reference Number	Status of Prior Year Audit Findings
Finding 09-SA-3	<i>Federal Grantor: U.S. Department of Health and Human Services</i>
Medical Assistance Program CFDA 93.778	<i>Pass-Through Entity: State Departments of Health Care Services and Alcohol and Drug Abuse Programs</i>
	<i>Compliance Requirement: Eligibility/Special Tests (IEVS)</i>
	<i>Reporting Requirement: Material Weakness and Material Noncompliance in Relation to a Compliance Supplement Audit Objective</i>
ARRA – Medical Assistance Program CFDA 93.778	<u>Condition</u>
Award No. n/a Year: 2008-2009	We tested forty cases and noted that three cases did not have current IEVS documents for all active individuals on the cases and two cases had current IEVS but they had not been signed and dated by the Eligibility Worker.
	<u>Recommendation</u>
	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.
	<u>Status</u>
	Implemented. This requirement was tested in forty cases in the current year audit with no exceptions.

**SUPPLEMENTARY SCHEDULES
OF
THE CALIFORNIA EMERGENCY
MANGAGEMENT AGENCY
AND
THE DEPARTMENT OF CORRECTIONS
AND REHABILITATION PROGRAMS
GRANT EXPENDITURES**

COUNTY OF MARIN

Schedule of the California Emergency Management Agency
and the Department of Corrections and Rehabilitation Grants Expenditures
For the Year Ended June 30, 2010

California Emergency Management Agency Grants

The following represents expenditures for California Emergency Management Agency (Cal EMA) programs for the year ended June 30, 2010. 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, 2009	For the Year Ended June 30, 2010	Cumulative As of June 30, 2010	Federal Share	State Share	County Share
	<u>VW 09280210 - Victim Witness Assistance</u>					
Personal services	\$ 157,451	\$ 170,462	\$ 327,913	\$ 82,605	\$ 87,857	\$ --
Operating expenses	8,882	11,474	20,356	--	11,474	--
Equipment	--	--	--	--	--	--
Totals	<u>\$ 166,333</u>	<u>\$ 181,936</u>	<u>\$ 348,269</u>	<u>\$ 82,605</u>	<u>\$ 99,331</u>	<u>\$ --</u>
<u>VB 08060210 - Vertical Prosecution</u>						
Personal services	\$ 67,179	\$ 77,487	\$ 144,666	\$ --	\$ 77,487	\$ --
Operating expenses	4,958	8,422	13,380	--	8,422	--
Equipment	--	--	--	--	--	--
Totals	<u>\$ 72,137</u>	<u>\$ 85,909</u>	<u>\$ 158,046</u>	<u>\$ --</u>	<u>\$ 85,909</u>	<u>\$ --</u>
<u>AT 09060210 - Child Abuse Treatment</u>						
				<i>*Grant year conforms to the Federal fiscal year - October 1 - September 30</i>		
Personal services	\$ --	\$ 10,407	\$ 10,407	\$ 10,407	\$ --	\$ --
Operating expenses	--	97,383	97,383	97,383	--	--
Equipment	--	--	--	--	--	--
Totals	<u>\$ --</u>	<u>\$ 107,790</u>	<u>\$ 107,790</u>	<u>\$ 107,790</u>	<u>\$ --</u>	<u>\$ --</u>
<u>AT 08050210 - Child Abuse Treatment</u>						
				<i>*Grant year conforms to the Federal fiscal year - October 1 - September 30</i>		
Personal services	\$ 5,515	\$ 4,001	\$ 9,516	\$ --	\$ --	\$ 4,001
Operating expenses	114,355	48,080	162,435	41,664	--	6,416
Equipment	--	--	--	--	--	--
Totals	<u>\$ 119,870</u>	<u>\$ 52,081</u>	<u>\$ 171,951</u>	<u>\$ 41,664</u>	<u>\$ --</u>	<u>\$ 10,417</u>
<u>VS 09010210 - VOCA Stimulus Victim Witness Assistance</u>						
Personal services	\$ --	\$ 22,699	\$ 22,699	\$ 18,159	\$ --	\$ 4,540
Operating expenses	--	--	--	--	--	--
Equipment	--	--	--	--	--	--
Totals	<u>\$ --</u>	<u>\$ 22,699</u>	<u>\$ 22,699</u>	<u>\$ 18,159</u>	<u>\$ --</u>	<u>\$ 4,540</u>

COUNTY OF MARIN

Schedule of the California Emergency Management Agency
and the Department of Corrections and Rehabilitation Grants Expenditures
For the Year Ended June 30, 2010

California Emergency Management Agency Grants (continued)

The following represents expenditures for California Emergency Management Agency (Cal EMA) programs for the year ended June 30, 2010. 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, 2009	For the Year Ended June 30, 2010	Cumulative As of June 30, 2010	Federal Share	State Share	County Share
<u>RV 09010210 - VAWA Stimulus Victim Witness Assistance</u>						
Personal services	\$ --	\$ 16,308	\$ 16,308	\$ 12,231	\$ --	\$ 4,077
Operating expenses	--	--	--	--	--	--
Equipment	--	--	--	--	--	--
Totals	<u>\$ --</u>	<u>\$ 16,308</u>	<u>\$ 16,308</u>	<u>\$ 12,231</u>	<u>\$ --</u>	<u>\$ 4,077</u>
<u>VP 09010210 - Vertical Prosecution Recovery Act Program</u>						
Personal services	\$ --	\$ 338,800	\$ 338,800	\$ 253,827	\$ --	\$ 84,973
Operating expenses	--	1,088	1,088	1,088	--	--
Equipment	--	--	--	--	--	--
Totals	<u>\$ --</u>	<u>\$ 339,888</u>	<u>\$ 339,888</u>	<u>\$ 254,915</u>	<u>\$ --</u>	<u>\$ 84,973</u>
<u>HT 08080210 - High Technology Theft Apprehension & Prosecution Program</u>						
Personal services	\$ 206,662	\$ 400,484	\$ 607,146	\$ --	\$ 400,484	\$ --
Operating expenses	1,404,507	1,728,831	3,133,338	--	1,302,966	425,865
Equipment	11,000	--	11,000	--	--	--
Totals	<u>\$ 1,622,169</u>	<u>\$ 2,129,315</u>	<u>\$ 3,751,484</u>	<u>\$ --</u>	<u>\$ 1,703,450</u>	<u>\$ 425,865</u>
<u>HD 08080210 - High Technology Theft Apprehension & Prosecution Program - Identify Theft Units</u>						
Personal services	\$ 40,734	\$ 35,818	\$ 76,552	\$ --	\$ 35,818	\$ --
Operating expenses	270,366	129,412	399,778	--	92,393	37,019
Equipment	12,578	19,870	32,448	--	19,870	--
Totals	<u>\$ 323,678</u>	<u>\$ 185,100</u>	<u>\$ 508,778</u>	<u>\$ --</u>	<u>\$ 148,081</u>	<u>\$ 37,019</u>
<u>ZP 090010210 - EBPS Recovery Act</u>						
Personal services	\$ --	\$ 3,319	\$ 3,319	\$ 3,319	\$ --	\$ --
Operating expenses	--	--	--	--	--	--
Equipment	--	--	--	--	--	--
Totals	<u>\$ --</u>	<u>\$ 3,319</u>	<u>\$ 3,319</u>	<u>\$ 3,319</u>	<u>\$ --</u>	<u>\$ --</u>

COUNTY OF MARIN

Schedule of the California Emergency Management Agency
and the Department of Corrections and Rehabilitation Grants Expenditures
For the Year Ended June 30, 2010

California Department of Corrections and Rehabilitation Grants

The following represents expenditures for the California Department of Corrections and Rehabilitation programs for the year ended June 30, 2010. The amount reported in the Schedule of Expenditures of Federal Awards is determined by calculating the federal portion of the current year expenditures.

<u>Program</u>	<u>Expenditures Claimed</u>			<u>Share of Expenditures Current Year</u>		
	<u>For the Period Through June 30, 2009</u>	<u>For the Year Ended June 30, 2010</u>	<u>Cumulative As of June 30, 2010</u>	<u>Federal Share</u>	<u>State Share</u>	<u>County Share</u>
<u>DC 09110210 - Coordination of Probation Enforcement</u>						
Personal services	\$ 159,591	\$ 222,108	\$ 381,699	\$ 222,108	\$ --	\$ --
Operating expenses	--	--	--	--	--	--
Equipment	--	--	--	--	--	--
Totals	<u>\$ 159,591</u>	<u>\$ 222,108</u>	<u>\$ 381,699</u>	<u>\$ 222,108</u>	<u>\$ --</u>	<u>\$ --</u>
<u>CSA 129-09 - Juvenile Accountability Incentive Block Grant</u>						
Personal services	\$ 15,606	\$ 15,606	\$ 31,212	\$ 15,606	\$ --	\$ --
Operating expenses	--	--	--	--	--	--
Equipment	--	--	--	--	--	--
Totals	<u>\$ 15,606</u>	<u>\$ 15,606</u>	<u>\$ 31,212</u>	<u>\$ 15,606</u>	<u>\$ --</u>	<u>\$ --</u>
<u>CSA 129-09AMYVPT - Juvenile Accountability Incentive Block Grant-AMYVPT</u>						
Personal services	\$ --	\$ 9,814	\$ 9,814	\$ 9,814	\$ --	\$ --
Operating expenses	--	--	--	--	--	--
Equipment	--	--	--	--	--	--
Totals	<u>\$ --</u>	<u>\$ 9,814</u>	<u>\$ 9,814</u>	<u>\$ 9,814</u>	<u>\$ --</u>	<u>\$ --</u>
<u>CSA 359-09 - Enhanced DMC - Technical Assistance Program II</u>						
Personal services	\$ --	\$ 41,556	\$ 41,556	\$ 41,556	\$ --	\$ --
Operating expenses	--	--	--	--	--	--
Equipment	--	--	--	--	--	--
Totals	<u>\$ --</u>	<u>\$ 41,556</u>	<u>\$ 41,556</u>	<u>\$ 41,556</u>	<u>\$ --</u>	<u>\$ --</u>
<u>CSA 351-08 - Title II Formula Grants</u>						
Personal services	\$ 502,726	\$ 463,070	\$ 965,796	\$ 463,070	\$ --	\$ --
Operating expenses	--	--	--	--	--	--
Equipment	--	--	--	--	--	--
Totals	<u>\$ 502,726</u>	<u>\$ 463,070</u>	<u>\$ 965,796</u>	<u>\$ 463,070</u>	<u>\$ --</u>	<u>\$ --</u>