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COUNTY OF SAN BERNARDINO

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December 1, 2010

Nancy Swanson, Director
Department of Transitional Assistance
150 South Lena Road
San Bernardino, CA 92415-0515

SUBJECT: SINGLE AUDIT FOLLOW-UP AUDIT

Introductory Remarks

In compliance with Article V, Section 6, of the San Bernardino County Charter, the Board of Supervisor's Policy Statement on Internal Operational Auditing and OMB Circular A-133, we have completed a follow-up audit of the implementation of recommendations noted in the County of San Bernardino's Single Audit for the fiscal year ended June 30, 2009 (FY09) for the Transitional Assistance Department (TAD).

Executive Summary

During the FY09 Single Audit performed by Vavrinek, Trine, Day & Co., LLP (VTD), it was found that the Transitional Assistance Department was missing eligibility documentation from case files. VTD recommended that the department enhance procedures to ensure forms are obtained and properly documented in the case files. The department implemented a process for eligibility workers to verify forms in the C-IV system and trained workers on the new process. Staff was also reminded of correct procedures. During our review we noted that the procedures were implemented; therefore, we have no further recommendations.

Background

The Single Audit Act Amendments of 1996 and OMB Circular A-133 require nonfederal entities that expend \$500,000 or more of federal awards in a fiscal year to have a single

or program specific audit. The county's external auditors, Vavrinek, Trine, Day & Co., LLP (VTD), conducted the county's FY09 single audit 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. VTD issued the report on March 19, 2010. In accordance with OMB Circular A-133, the auditee is responsible for follow-up and corrective action on all audit findings. As part of this responsibility, the county must prepare a summary schedule of prior audit findings that include status of all audit findings included in the prior audit's schedule of findings relative to federal awards. Our schedule will be provided to VTD, the County Administrative Officer and the Board of Supervisors.

Objectives, Scope and Methodology

The objective of this follow-up audit was to determine whether TAD implemented the recommendations contained in the FY09 Single Audit report. To achieve this objective we:

- Reviewed implemented policies
- Interviewed employees
- Tested a sample of case files

Conclusion

Procedures were implemented as recommended. There were no exceptions noted during our testing.

Prior Audit's Observations, Findings and Recommendations with Current Status

The details of the prior audit's observations, findings and recommendations and their implementation status are below:

FINDING 2009-04-Eligibility documentation missing from case file.

Program: Temporary Assistance for Needy Families

Instance of Non-compliance – Of the 50 case files selected for testwork, we noted one file did not contain one of the quarterly QR-7 reports and one file did not contain the CW 2.1Q.

Recommendation:

We recommend that the County enhance its procedures to ensure that the program CW 2.1Q and QR-7 forms are obtained and properly documented in the participant's case file.

View of Responsible Official and planned Corrective Actions:

To ensure that Eligibility Workers (EWs) obtain, properly document and file the QR 7 and CW 2.1Q and forms necessary to support eligibility, the following plans will be put into place with respect to each finding.

QR 7

Current policy requires staff to process incoming QR 7s by reviewing information reported, re-determining program eligibility, documenting the case file and imaging all documents provided by the customers into the C-IV. The current imaging process requires the Eligibility Worker (EW) to send documents to a central location in the office, where an Office Assistant (OA) scans the verification document into C-IV, verifies the image appears within the scanning system, and sends verification to the EW to verify the image is indeed within the eligibility system.

Beginning May 2010, a new imaging process/solution will be implemented. The EW will be required to scan case verification documentation themselves directly into C-IV, and instantly verify within the system the verification document has been imaged. This eliminates the possibility of documents being misplaced in between the OA and the EW.

Training for all staff on the new imaging system will take place during the month of April 2010.

Our current case review process includes questions related to quarterly reports and the forms necessary to properly document. The questions are intended to capture errors for cases without proper documentation. Errors found must be corrected within 10 days.

CW 2.1Qs

Policy material identifying regulations for obtaining Child Support Enforcement forms, and correct procedures to take, was revised and issued to staff in August 2008.

Notification will be sent to staff during the month of April 2010, to remind them of Child Support Enforcement Regulations, including correct procedures.

Our current case review process includes questions related to establishing deprivation and the forms necessary to properly document the determination. The questions are intended to capture errors for cases without proper documentation. Errors found must be corrected within 10 days.

Current Status:

Implemented.

Thank you for the cooperation extended by your staff during the course of this audit.

Respectfully submitted,

Larry Walker
Auditor/Controller-Recorder

By:

MARK COUSINEAU
Chief Deputy Auditor

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