

County of San Bernardino

Auditor-Controller/Treasurer/Tax Collector
Internal Audits Section

County Fire Department: FY13 Single Audit Follow-up



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Auditor-Controller/Treasurer/Tax Collector

Mission Statement

The San Bernardino County Auditor-Controller's Office is committed to serving our customers by processing, safeguarding, and providing information regarding the finances and public records of the County. We perform these functions with integrity, independent judgment, and outstanding service. We are accurate, timely, courteous, innovative, and efficient because of our well-trained and accountable staff.

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LARRY WALKER
Auditor-Controller/
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May 18, 2015

Mark Hartwig, Fire Chief
County Fire Department
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SUBJECT: COUNTY FIRE DEPARTMENT – FY13 SINGLE AUDIT CORRECTIVE ACTION FOLLOW-UP AUDIT

In compliance with Article V, Section 6, of the San Bernardino County Charter, County Policy 05-20 entitled Internal Operational Auditing, and Office of Management and Budget (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, 2013 (FY13) for the County Fire Department (Department). The objective of the audit was to determine if corrective action for the department's FY13 Single Audit finding has been implemented. We conducted our audit in accordance with the International Standards for the Professional Practice of Internal Auditing established by the Institute of Internal Auditors.

We have provided a status of the audit finding identified in the original audit report issued on March 25, 2014. The Department has partially implemented its corrective action plan to address the recommendation from the original audit report.

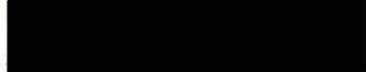
We would like to express our appreciation to the personnel at County Fire Department who assisted and cooperated with us during this engagement.

Respectfully submitted,

Larry Walker

Auditor-Controller/Treasurer/Tax Collector
San Bernardino County

By:



Denise Mejico

Chief Deputy Auditor

Enclosure

Distribution of Audit Report:

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Date Report Distributed: 5/20/15

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County Fire Department: FY13 Single Audit Corrective Action Follow-up Audit

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Background

The Single Audit Act Amendments of 1996 and OMB Circular A-133 require non-federal 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 FY13 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 25, 2014. In accordance with OMB Circular A-133, the auditee is responsible for follow-up and corrective action on all audit findings.



Scope and Objective

The objective of this follow-up audit was to determine whether the Department implemented its corrective action plan contained in the County of San Bernardino FY13 Single Audit Report, issued on March 25, 2014.

Methodology

In achieving the audit objective, the following audit procedures were performed, including but not limited to:

- Determining if the new Contract Account Technician has been hired by the Department.
- Verifying the Department has created templates and reports to document single audit reporting and ensure all corrective action plans are submitted to the Department.
- Verifying the Department has established an annual timeline to remind subrecipients to submit single audit reports and corrective action plans to the Department for review.
- Verifying the Department sent a letter to all subrecipients requesting the fiscal year 2012 and 2013 single audit reports and applicable corrective action plans be submitted to the Department's grant unit.
- Ensuring the Department's grant staff reviewed all single audit reports and corrective action plans submitted and followed up with subrecipients who did not submit the requested reports.



Prior Finding 2013-009:

Program: Homeland Security Grant Program

CFDA No.: 97.067

Federal Grantor: U.S. Department of Homeland Security

Passed-through: California Emergency Management Agency

Award No.: Various

Award Year: 2009, 2010, 2011, 2012

Compliance Requirement: Sub recipient monitoring

Instance of Non-Compliance – As a result of our audit, we noted the following based on our testing performed over subrecipient monitoring:

- For 5 of the 5 subrecipient files tested, the County did not request and did not receive issued single audit reports for the most recent fiscal years.
- For 5 of the 5 subrecipient files tested, the County did not request and did not receive required corrective action plans for applicable single audits of the subrecipients in the most recent fiscal years.

Recommendation:

We recommend that the (County Fire Department) follow its established procedures to ensure all required subrecipient monitoring procedures required by OMB Circular A-133 are performed on a timely basis.

Current Status: Partially Implemented

The Department has taken the following actions:

1. Submitted a "Request to Fill" through Human Resources for the hiring of a Contract Account Technician to assist with the monitoring.
2. Created templates and reports to document single audit reporting and to track corrective action plans.
3. Established a verbal annual timeline to remind subrecipients to submit single audit reports and corrective action plans.
4. Sent a letter to all subrecipients requesting fiscal year 2012 and 2013 single audit reports and applicable corrective action plans be submitted to the Department's grant unit.

The Department should take these additional steps to fully implement its corrective action plan:

1. Document the annual timeline that has been developed.
2. Complete the review of single audit reports and corrective action plans submitted by their subrecipients.



3. Follow up on subrecipients who did not submit single audit reports and corrective action plans.

Management's Response:

We Concur.

The County Fire Protection District will continue to follow County procedures and will continue to implement its corrective action plan. To ensure that these procedures are followed, County Fire is taking the following actions:

1. County Fire is in the process of obtaining a list from Human Resources to conduct interviews to hire a Contract Account Technician to assist with the monitoring and reviewing of the subrecipient's single audit reports and corrective actions plans.
2. An annual timeline has been documented to follow up and remind subrecipients to submit all single audit reports and corrective action plan. The review of the single audit reports and corrective action plan submitted by sub recipients has been completed.
3. County Fire will follow up with subrecipients who have not submitted single audit reports and corrective action plan.
4. Once the Accounting Technician is hired and trained, staff will begin the on-site monitoring visits to the subrecipients.
5. Templates and reports have been created to document single audit monitoring and to ensure that all corrective action plans are submitted to County Fire.

Auditor's Response:

The Department's actions and planned actions will fully implement its corrective action plan for the FY13 Single Audit.