

# AUDITOR-CONTROLLER/ TREASURER/TAX COLLECTOR



COUNTY OF SAN BERNARDINO

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**LARRY WALKER**  
Auditor-Controller/  
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August 26, 2013

John McMahon, Sheriff-Coroner  
Sheriff's Department  
655 East Third Street  
San Bernardino, CA 92415-0061

**SUBJECT: FY11 SINGLE AUDIT FOLLOW-UP**

## **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, 2011 (FY11) for the Sheriff's Department (Department).

## **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 FY 11 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 23, 2012. The Department had expenditures of \$353,419 in the JAG (Justice Assistant Grant) Cluster, including ARRA (American Recovery and Reinvestment Act) amounts in FY11. In accordance with OMB Circular A-133, the auditee is responsible for follow-up and corrective action on all audit findings.

## **Objectives, Scope and Methodology**

The objective of this follow-up audit was to determine whether the Department implemented the recommendations contained in the FY11 Single Audit report. To achieve this objective we:

- Reviewed policies
- Interviewed departmental staff
- Tested a sample of case files
- Obtained the department's ARRA payment documents
- Reviewed and tested a sample of payment documents to determine whether the required ARRA information was properly documented
- Reviewed subrecipient agreements

### **Conclusion**

As a result of our testwork we found that policies and procedures were implemented to ensure the ARRA information required by OMB Circular A-133 is included in subrecipient agreements and payment documents. We sent a draft report to the Department on August 16, 2013.

### **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 2011-01: ARRA information not communicated to subrecipients**

**Program:** JAG - Cluster (Includes ARRA)

*Instance of Non-compliance* – The Sheriff's Department did not communicate the ARRA information to subrecipients at the time of disbursement of funds as required by *OMB Circular A-133*.

#### **Recommendation:**

We recommend the County strengthen its procedures to ensure that ARRA award information is consistently included in subrecipient communication at the time disbursements are made as required by *OMB Circular A-133*.

#### **Current Status: Implemented**

The department has fully implemented the corrective actions for including ARRA award identification information in subrecipient communication at the time payments are disbursed as required by OMB Circular A-133.

#### **FINDING 2011-02: ARRA information required by OMB Circular A-133 is not included in the subrecipient agreements.**

**Program:** JAG – Cluster (Includes ARRA)

*Instance of Non-Compliance:*

- For 5 of the 5 subrecipient files tested, the Sheriff's Department did not identify the necessary "Award Identification" information (e.g., CFDA title and number, award name, name of Federal agency) and proper OMB Circular A-133 compliance guidelines in the agreements entered with subrecipients.

#### **Recommendation:**

We recommend that the Sheriff's Department follow its policies and procedures to ensure that the information required by OMB Circular A-133 is included in the subrecipient agreements.

#### **Current Status: Implemented**

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The department has fully implemented the corrective actions for including information required by OMB Circular A-133 in subrecipient agreements.

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

Respectfully submitted,

Larry Walker  
Auditor-Controller/Treasurer/Tax Collector  
San Bernardino County

By:

  
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LDW:DLM:RLA:oac

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