

# AUDITOR-CONTROLLER/ TREASURER/TAX COLLECTOR



COUNTY OF SAN BERNARDINO

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**LARRY WALKER**  
Auditor-Controller/  
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February 24, 2014

David H. Slaughter, Director  
Real Estate Services – Facilities Management Division  
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## **SUBJECT: FACILITIES MANAGEMENT - FY12 SINGLE AUDIT CORRECTIVE ACTION 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, 2012 (FY12) for the Facilities Management Division (Division). Our audit was conducted in accordance with the Standards for the Professional Practice of Internal Auditing established by the Institute of Internal Auditors.

### **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 FY12 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. The Division had expenditures of \$1,291,110 for the ARRA - Energy Efficiency and Conservation Block Grant Program in FY12. VTD issued the Single Audit report on March 22, 2013. 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**

Our overall objective was to determine whether the Division implemented the recommendations contained in the FY12 Single Audit report. To achieve this objective we:

- Reviewed policies and procedures.
- Interviewed Division staff.
- Reviewed reports for manager review and approval.

## **Conclusion**

As a result of our analysis and tests performed, we concluded that policies and procedures are in place to strengthen the process of required forms being reviewed by the appropriate persons and that reports are being approved prior to submission.

## **Prior Audit's Observation, Finding and Recommendation with Current Status**

The details of the prior audit's observation, finding, recommendation, and implementation status are below:

### **FINDING 2012-03**

**Program:** ARRA - Energy Efficiency and Conservation Block Grant

**CFDA No.:** 81.128

**Federal Agency:** Department of Energy

**Passed-through:** N/A

**Award No.:** Various

**Award Year:** FY 2011-2012

**Compliance Requirement:** Reporting

*Significant Deficiency* – Through our testing of the Facilities Management Department internal controls and compliance related to the grant's reporting compliance requirements, we noted the following exception:

- Section 1512 ARRA reports:  
In one instance, we noted the County's Section 1512 report did not contain evidence of management review and approval.

### **Recommendation:**

We recommend the County (Facilities Management Department) strengthen or implement its existing internal controls over the reporting requirements to ensure proper review and proper approval is performed over the federal submitted reports.

### **Current Status: Implemented**

The Division has revised existing policy and procedures to ensure a supervisor reviews and approves quarterly OMB reports and a copy of the approval is retained. All reports submitted since March 22, 2013 had evidence of supervisor approval.

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

Sincerely,

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

By:   
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Chief Deputy Auditor

DLM:DRS:oac

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