

County of San Bernardino

Auditor-Controller/Treasurer/Tax Collector
Internal Audits Section

Department of Public Health: FY17 Single Audit Follow-Up



Oscar Valdez

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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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Department of Public Health: FY17 Single Audit Follow-Up

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September 4, 2018

Trudy Raymundo, Director
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SUBJECT: Department of Public Health – FY17 Single Audit Follow-Up

In compliance with Article V, Section 6, of the San Bernardino County Charter and County Policy 05-20 entitled Internal Operational Auditing, we have completed a follow-up audit of the implementation of the recommendation noted in the County of San Bernardino's Single Audit for the fiscal year ended June 30, 2017 (FY17) for the Department of Public Health (Department). The objective of the audit was to determine if corrective actions for the Department's FY17 Single Audit findings have 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 findings identified in the Single Audit report issued on March 26, 2018. The Department has implemented corrective actions for all of the findings from the original audit report.

We sent a draft report to the Department on August 10, 2018.

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

Respectfully submitted,

Oscar Valdez

Auditor-Controller/Treasurer/Tax Collector
San Bernardino County

By:



Denise Mejico

Chief Deputy Auditor

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FY17 Single Audit Follow-Up

The Single Audit Act Amendments of 1996 and Office of Management and Budget (OMB) 2 CFR 200 “Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards” (Uniform Guidance) require nonfederal entities that expend \$750,000 or more of federal awards in a fiscal year to have single or program specific audit. The County’s external auditors, Vavrinek, Trine, Day & Co., LLP (VTD), conducted the County’s FY17 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 the Uniform Guidance. VTD issued the report on March 26, 2018. In accordance with the Uniform Guidance, the auditee is responsible for follow-up and corrective action on all audit findings.



Scope and Objective

Our audit examined the Department's policies, procedures and other corrective actions as of the date of fieldwork, May 25, 2018.

The objective of this follow-up audit was to determine whether the Department implemented the recommendations contained in the prior audit report, *County of San Bernardino FY17 Single Audit Report*, issued on March 26, 2018.

Methodology

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

- Interviews of Department staff
- Review of policies and procedures
- Review of pertinent documents



Prior Finding 2017-004

Program: HIV Emergency Relief Project Grant

CFDA No.: 93.914

Federal Grantor: U.S. Department Health and Human Services

Award Year: FY 2016-17

Compliance Requirements: Allowable Costs/Cost Principles, Cash Management

Instance of Non-Compliance – The County (Department of Public Health) has not established written procedures to implement the cash management requirements of 2 CFR Section 200.305 or for determining allowability of costs in accordance with Subpart E – Cost Principles or the terms and conditions of the Federal award.

Recommendation:

We recommend the County (Department of Public Health) review its policies and formalize written procedures related to cash management requirements within 2 CFR Section 200.305 and allowable costs in accordance with Subpart E – Cost Principles.

Current Status: Implemented

The Department has formalized written procedures related to cash management requirements within 2 CFR Section 200.305 and allowable costs in accordance with Subpart E – Cost Principles.



Prior Finding 2017-005

Program: HIV Emergency Relief Project Grant

CFDA No.: 93.914

Federal Grantor: U.S. Department Health and Human Services

Award Year: FY 2016-17

Compliance Requirements: Subrecipient Monitoring

Significant Deficiency, Instance of Non-Compliance – We noted 2 instances out of 2 subrecipients selected for testwork where the County (Department of Public Health) did not identify all of the required elements of the subaward in accordance with 2 CFR 200.331(a) of the Uniform Grant Guidance.

Recommendation:

It is recommended that the County (Department of Public Health) prepare subaward agreements that contain all of the required elements as specified in 2 CFR 200.331(a).

Current Status: Implemented

The Department has sent memos updating all current contracts with the subrecipients' Data Universal Numbering System (DUNS) and Federal Award Identification Number (FAIN) in accordance with their corrective action plan. These memos have become part of the contract packages. The Department has also updated their contract template to include all 13 elements required by 2 CFR 200.331(a).