

# County of San Bernardino

**Auditor-Controller/Treasurer/Tax Collector  
Internal Audits Section**

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## **Aging and Adult Services: FY19 Single Audit Follow-up**



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# Auditor-Controller/Treasurer/Tax Collector

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## *Mission Statement*

*This 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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## Audit Team

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# Aging and Adult Services

## FY19 Single Audit Follow-Up

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**December 11, 2020**

**Sharon Nevins, Director**  
Aging and Adult Services  
784 E. Hospitality Lane  
San Bernardino, CA 92415-0640

**SUBJECT: Aging and Adult Services – FY19 Single Audit Follow-Up**

In compliance with Article V, Section 6, of the San Bernardino County Charter, we have completed a follow-up audit of the implementation of the recommendations noted in the County of San Bernardino’s Single Audit Report for the fiscal year ended June 30, 2019 for Aging and Adult Services Department (Department). The objective of the audit was to determine if corrective actions for the Department’s FY19 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 31, 2020. Of the two recommendations from the original audit report, one has been implemented and one has been partially implemented.

We sent a draft report to the Department on November 5, 2020.

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

Respectfully submitted,

**Ensen Mason CPA, CFA**

Auditor-Controller/Treasurer/Tax Collector  
San Bernardino County

By:

**Denise Mejico**

Chief Deputy Auditor

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Date Report Distributed: December 11, 2020

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### **FY19 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 a single or program specific audit. The County's external auditors, Eide Bailly, conducted the County's FY19 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. Eide Bailly issued the report on March 31, 2020. 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, June 17, 2020.

The objective of this follow-up audit was to determine if the corrective actions for the Department's FY19 Single Audit findings, as contained in the *County of San Bernardino FY19 Single Audit Report*, issued on March 31, 2020, have been implemented.

### **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 subrecipient monitoring process, tools and reports



### **Prior Finding 2019-003**

**Program:** Aging Cluster

**CFDA No.:** 93.041, 93.042, 93.043, 93.044, 93.045, 93.052, 93.053

**Federal Grantor:** U.S. Department of Health and Human Services (HHS)

**Passed-Through:** California Department of Aging

**Award Year:** FY 2018-19

**Compliance Requirements:** Subrecipient Monitoring

*Instance of Non-Compliance* – As a result of our subrecipient monitoring testing, we noted 4 of the 4 subrecipient monitoring activities selected for testing had evidence of onsite monitoring being conducted by the County (Department of Aging and Adult Services) prior to the fiscal year ended June 30, 2019 but the monitoring reports were not finalized as of March 2020. As a result, there was no evidence for 3 of the 4 monitoring activities selected for testing that the Department of Aging and Adult Services followed-up and ensured that subrecipients implemented corrective actions to address identified deficiencies within a reasonable amount of time from the date of the monitoring.

### **Recommendation:**

Eide Bailly recommended the County (Department of Aging and Adult Services) ensure monitoring is completed according to the requirements in the Federal award and the uniform guidance. Further, the Department of Aging and Adult Services should ensure subrecipient monitoring results are finalized and communicated to subrecipients timely, identified deficiencies were followed-up on, and that subrecipients implemented corrective actions.

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

We tested the Department's subrecipient monitoring of all 16 subrecipients for fiscal year ended June 30, 2019. Of the 16 subrecipients tested, the following conditions were identified as of June 30, 2020:

- Three monitoring reports for fiscal year ended June 30, 2019 were not finalized.
- Three monitoring reports were not followed-up on with the subrecipients by the Department.





We verified that the remaining monitoring reports were finalized and that the Department followed-up on the identified deficiencies after our fieldwork. In addition, the Department implemented a subrecipient monitoring schedule tool that coordinates scheduling of the report finalization, follow-up and corrective action due date.

### **Management's Response:**

The Department has implemented the finding. The Department is working to ensure all subrecipient monitoring results are finalized and communicated to subrecipients timely, following up on identified deficiencies, and that subrecipients implement corrective actions by the assigned deadline.

### **Auditor's Response:**

The Department's actions and planned actions will correct the deficiencies identified in the finding.

### **Prior Finding 2019-004**

**Program:** Aging Cluster

**CFDA No.:** 93.041, 93.042, 93.043, 93.044, 93.045, 93.052, 93.053

**Federal Grantor:** U.S. Department of Health and Human Services (HHS)

**Passed-Through:** California Department of Aging

**Award Year:** FY 2018-19

**Compliance Requirements:** Subrecipient Monitoring

*Significant Deficiency, Instance of Non-Compliance* – of the 4 subawards selected for testing, certain required award information and applicable requirements were not provided at the time of the subaward.

The following information was not provided at the time of subaward for four subawards utilized for the aging cluster:

- Subrecipient unique entity identifier
- Federal award identification number (FAIN)
- Federal award date of award to the recipient by the federal agency
- Amount of federal funds obligated by the action by the pass-through entity to the subrecipient
- Total amount of federal funds obligated to the subrecipient by the pass-through entity including the current obligation
- Identification of whether the award is Research and Development



### **Recommendation:**

Eide Bailly recommended that the County (Department of Aging and Adult Services) modify and/or strengthen its current policies and procedures to ensure that all required award information and applicable requirements are communicated to subrecipients at the time of subaward. Additionally, the Department of Aging and Adult Services should communicate the requirements of 2 CFR 200.331 for any existing subawards where these requirements have not been communicated. Records should be maintained demonstrating that such communications occurred.

### **Current Status:** Implemented

The Department has developed policies and procedures to ensure that all required award information and applicable requirements are communicated to subrecipients. The Department has sent letters to communicate the requirements of 2 CFR 200.331 for all four existing subawards where these requirements had not been communicated. Documentation of those communications have been maintained. Lastly, the Department has updated their contract template to include all requirements of 2 CFR 200.331 to ensure that these elements will be included in all contracts going forward.