

County of San Bernardino

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

Transitional Assistance Department: FY18 Single Audit Follow-Up



Ensen Mason CPA, CFA
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Auditor-Controller/Treasurer/Tax Collector

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.

Audit Team

Denise Mejico
Chief Deputy Auditor

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Internal Audits Manager

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Internal Auditor IV



Transitional Assistance Department

FY18 Single Audit Follow-Up

Audit Report Letter	1
Audit Background	3
Scope, Objective and Methodology	4
Prior Audit Finding, Recommendation and Current Status	5



Auditor–Controller/Treasurer/Tax Collector

Ensen Mason, MBA, CPA, CFA
Auditor–Controller/Treasurer/Tax Collector

September 24, 2019

Douglas R. Boyd, Sr., ESQ.
Assistant Auditor–Controller/Treasurer/Tax Collector

Gilbert Ramos, Director

Transitional Assistance Department
150 South Lena Road
San Bernardino, CA 92415-0515

**SUBJECT: Transitional Assistance Department – FY18 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 Report for the fiscal year ended June 30, 2018 for the Transitional Assistance Department (Department). The objective of the audit was to determine if corrective actions for the Department's FY18 Single Audit finding 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 finding identified in the Single Audit Report issued on March 25, 2019. The Department has implemented corrective actions for the finding from the original audit report.

We sent a draft report to the Department on September 12, 2019.

We would like to express our appreciation to the personnel at the Transitional Assistance 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: 9/24/19

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FY18 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, Vavrinek, Trine, Day & Co., LLP (VTD), conducted the County's FY18 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 25, 2019. 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, implementation of the recommendation and other corrective actions as of the date of fieldwork, June 19, 2019.

The objective of this follow-up audit was to determine if the corrective actions for the Department's FY18 Single Audit finding, as contained in the *County of San Bernardino FY18 Single Audit Report*, issued on March 25, 2019, 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
- Examination of a sample of electronic client files
- Review of pertinent documents



Prior Finding 2018-002

Program: Supplemental Nutrition Assistance Program (SNAP) Cluster

CFDA No.: 10.561

Federal Grantor: U.S. Department of Agriculture (USDA)

Passed-Through: California Department of Social Services

Award Year: FY 2017-18

Compliance Requirements: Special Tests and Provisions – ADP System for SNAP

Significant Deficiency, Instance of Non-Compliance – As a result of our testwork, we noted 1 case out of 60 where an individual was deemed ineligible for benefits through an Income and Eligibility Verification System (IEVS) report due to income eligibility thresholds, however, the case was passed from one case worker to a different case worker and the benefits were processed. As such, the applicant received SNAP benefits despite being ineligible.

We also noted that the County's Quality Assurance (QA) unit detected this error after six months of benefits were processed for the ineligible individual. Benefits were terminated immediately and the County is currently in the process of recovering the benefits from the individual.

Recommendation:

We recommend the County strengthen controls over applicant eligibility in accordance with the *Uniform Guidance*.

Current Status: Implemented

The Department implemented procedures on continuing cases that require the same staff member to complete processes from start to finish. The employees directly involved with the eligibility recertification process received reconciliation training between January 29, 2019 and February 28, 2019. Furthermore, the Department added additional emphasis to the onboard training for new staff.