

COUNTY OF SONOMA, CALIFORNIA

Single Audit Reports

For the Fiscal Year Ended June 30, 2010

COUNTY OF SONOMA, CALIFORNIA
Single Audit Reports
For the Fiscal Year Ended June 30, 2010

Table of Contents

	<i>Page(s)</i>
Schedule of Expenditures of Federal Awards	1-5
Notes to Schedule of Expenditures of Federal Awards	6-11
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	12-13
Independent Auditor's Report on Compliance with Requirements that Could Have a Direct and Material Effect on Each Major Program, on Internal Control Over Compliance and the Schedule of Expenditures of Federal Awards In Accordance with OMB Circular A-133.....	14-16
Schedule of Findings and Questioned Costs	17-22
Status of Prior Year Finding	23

COUNTY OF SONOMA, CALIFORNIA
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2010

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal CFDA No.	Federal Agency / Pass-through Entity Identifying Number	Federal Expenditures
U.S. Department of Agriculture			
<u>Direct Federal Programs</u>			
Forest Legacy Program	10.676	09-DG-11052021-219	\$ 1,000,000
Forest Health Protection	10.680	09-DG-11052021-175	42,172
Subtotal Direct Federal Programs			1,042,172
<u>Passed through the State Department of Food and Agriculture</u>			
Plant and Animal Disease, Pest Control, and Animal Care:			
Exotic Pest Detection Program	10.025	09-8520-0934-GR	\$ 116,521
Light Brown Apple Moth Detection & Regulatory	10.025	10-8520-1164-CA	738,650
Pierce's Disease Control Program	10.025	09-8500-0484-CA	294,000
European Grapevine Moth	10.025	10-8520-1317-CA	421,325
Forest Health Protection - Sudden Oak Death and Strategic Response	10.025	09-8523-0572-CA	20,555
Subtotal Plant and Animal Disease, Pest Control, and Animal Care			1,591,051
Inspection Grading and Standardization:			
Egg Quality Control Program	10.162	12-25-A-3269	8,922
School Breakfast Program	10.553	02836-SN-49-R	172,798
Senior Farmers' Market Nutrition Program	10.576	N/A	5,000
ARRA-Recovery Act of 2009: Wildland Fire Management:			
Skeleton and Iberian Starthistle Eradication Program	10.688	ARRA-09-0559	76
Subtotal Passed through the State Department of Food and Agriculture			1,777,847
<u>Passed through the State Department of Social Services</u>			
State Administrative Matching Grants for the			
Supplemental Nutrition Assistance Program (SNAP)	10.561	11609	4,030,536
ARRA - State Administrative Matching Grants for the SNAP	10.561	ARRA-11609	83,489
Subtotal State Administrative Matching Grants for SNAP - Passed through the State Department of Social Services			4,114,025
<u>Passed through the State Department of Public Health</u>			
Special Supplemental Nutrition Program for Women, Infants and Children	10.557	08-85432-A02	2,012,789
Total U.S. Department of Agriculture			
			8,946,833
U.S. Department of Defense			
<u>Direct Federal Program</u>			
Navigation Projects	12.107	W912P7-09-P-0027, W912P7-10-P-0044	81,846
U.S. Department of Housing and Urban Development			
<u>Passed through the State Department of Public Health - Office of AIDS</u>			
Housing Opportunities For Persons With AIDS	14.241	07-65542 - A02	414,993
U.S. Department of Interior			
<u>Direct Federal Program</u>			
Water Reclamation and Reuse Program	15.504	02FC200141	221,716

See accompanying notes to Schedule of Expenditures of Federal Awards.

COUNTY OF SONOMA, CALIFORNIA
Schedule of Expenditures of Federal Awards (Continued)
For the Fiscal Year Ended June 30, 2010

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal CFDA No.	Federal Agency / Pass-through Entity Identifying Number	Federal Expenditures
U.S. Department of Justice			
<u>Direct Federal Programs</u>			
Federal Equitable Sharing	16.unknown	N/A	170,000
Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program:			
Domestic Cannabis Eradication	16.580	2009-51	103,000
Drug Court Discretionary Grant Program	16.585	2009-DC-BX-0101	62,204
Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program:			
Community Defined Solutions to Violence Against Women Grant Program	16.590	2009-WE-AX-0005	60,834
State Criminal Alien Assistance Program	16.606	2009-F7845-CA-AP	1,116,832
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2007-DJ-BX-0422	54,211
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2008-DJ-BX-0180	1,657
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2009-DJ-BX-0243	76,669
Subtotal Edward Byrne Memorial Justice Assistance Grant Program			132,537
Southwest Border Prosecution Initiative Program	16.755	2009-BW-BX-08D04129, 2009-BW-BX-08C04172	66,543
ARRA - Recovery Act - Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants to Units of Local Government	16.804	ARRA-2009-SB-B9-2363	332,152
Subtotal Direct Federal Programs			2,044,102
<u>Passed through the California Emergency Management Agency</u>			
Crime Victim Assistance	16.575	VW09280490	121,600
Edward Byrne Memorial Formula Grant Program:			
Narcotics Elimination Task Force	16.579	DC09200490	278,984
ARRA - Violence Against Women Formula Grants	16.588	ARRA-RV09010490	4,391
ARRA - Recovery Act - State Victim Assistance Formula Grant Program	16.801	ARRA-VS09010490	8,252
ARRA - Recovery Act - Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants to States and Territories	16.803	ARRA-Z0-09-01-0490	430,942
Subtotal Passed through the California Emergency Management Agency			844,169
<u>Passed through the State Corrections Standards Authority</u>			
Juvenile Accountability Block Grants			
Juvenile Accountability Block Grants - 2009	16.523	CSA 153-09	17,232
Anger Management and Youth Violence Prevention	16.523	CSA 153-09-AMYVPT	32,299
Subtotal Juvenile Accountability Block Grants			49,531
Youth Gang Prevention:			
Gang-Free Schools and Communities - Community-Based Gang Intervention	16.544	CSA 349-08	457,116
Subtotal Passed through the State Corrections Standards Authority			506,647
Total U.S. Department of Justice			3,394,918
U.S. Department of Labor			
<u>Passed through the State Employment Development Department</u>			
Workforce Investment Act (WIA) Cluster:			
WIA Adult Program	17.258	R970573, K074177	765,397
WIA Adult Program - California New Start Program	17.258	R970573, K074177	43,235
WIA Adult Program - Disability Program Navigators	17.258	NB-08-11	25,780
ARRA - WIA Adult Programs -			
California Clean Energy Workforce Training Program	17.258	ARRA-AA-17110-08-55-A-6	38,633
ARRA - WIA Adult Programs	17.258	ARRA-AA-17110-08-55-A-6	388,034
WIA Youth Activities	17.259	R970573, K074177	693,272
ARRA - WIA Youth Activities	17.259	ARRA-AA-17110-08-55-A-6	1,196,283
WIA Dislocated Workers	17.260	R970573, K074177	1,158,377
WIA Dislocated Workers - Rapid Response	17.260	K074177	244,809
WIA Dislocated Workers - Pilots, Demonstrations, and Research Projects	17.260	R970573	9,796
WIA Dislocated Workers - Training	17.260	R970573	41,607
ARRA - WIA Dislocated Workers - Rapid Response	17.260	ARRA-AA-17110-08-55-A-6	316,424
ARRA - WIA Dislocated Workers - Rapid Response	17.260	ARRA-AA-17110-08-55-A-6	83,708
ARRA - WIA Dislocated Workers	17.260	ARRA-AA-17110-08-55-A-6	1,170,621
Subtotal WIA Cluster passed through the State Employment Development Department			6,175,976
Total U.S. Department of Labor			6,175,976

See accompanying notes to Schedule of Expenditures of Federal Awards.

COUNTY OF SONOMA, CALIFORNIA
Schedule of Expenditures of Federal Awards (Continued)
For the Fiscal Year Ended June 30, 2010

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal CFDA No.	Federal Agency / Pass-through Entity Identifying Number	Federal Expenditures
U.S. Department of Transportation			
<u>Direct Federal Program</u>			
Airport Improvement Program	20.106	3-06-0241-29	26,064
Airport Improvement Program	20.106	3-06-0241-31	617,076
Airport Improvement Program	20.106	3-06-0241-33	208,858
Airport Improvement Program	20.106	3-06-0241-34	1,004,343
Airport Improvement Program	20.106	3-06-0241-36	518,366
ARRA - Airport Improvement Program	20.106	ARRA-3-06-0241-37	1,678,046
Airport Improvement Program	20.106	3-06-0241-38	46,242
Airport Improvement Program	20.106	3-06-0241-39	102,523
Subtotal Direct Federal Program - Airport Improvement Program			4,201,518
<u>Passed through the State Department of Transportation</u>			
Highway Planning and Construction	20.205	BHL0-5920(075)	40,527
Highway Planning and Construction	20.205	BPMP-5920(102)	11,860
Highway Planning and Construction	20.205	BRLS-5920(045)	121,788
Highway Planning and Construction	20.205	ER 4442(086)	1,380,463
Highway Planning and Construction	20.205	ER 4442(087)	344,803
Highway Planning and Construction	20.205	ER 4442(088)	253,094
Highway Planning and Construction	20.205	ER 4442(089)	45,797
Highway Planning and Construction	20.205	ER 4442(090)	25,843
Highway Planning and Construction	20.205	ER 4442(091)	4,305
ARRA - Highway Planning and Construction	20.205	ARRA-ESPL-5920(116)	67,863
Highway Planning and Construction	20.205	SRTSLNI-5920(114)	147,016
Highway Planning and Construction	20.205	STPLZ-5920(030)	109,220
Highway Planning and Construction	20.205	STPLZ-5920(034)	4,427
Highway Planning and Construction	20.205	STPLZ-5920(110)	1,797,309
Highway Planning and Construction	20.205	STPLZ-5920(111)	12,351
Subtotal - Highway Planning and Construction passed through the State Department of Transportation			4,366,666
<u>Passed through the State Office of Traffic Safety</u>			
State and Community Highway Safety	20.600	AL1043	92,832
State and Community Highway Safety	20.600	TR1002	28,707
Subtotal Passed through the State Office of Traffic Safety			121,539
Total U.S. Department of Transportation			
			8,689,723
U.S. Environmental Protection Agency			
<u>Passed through the State Water Resource Control Board</u>			
Beach Monitoring and Notification Program Implementation Grant	66.472	08-11386, 09-11386	25,000
U.S. Department of Energy			
<u>Direct Federal Programs</u>			
ARRA - Energy Efficiency and Conservation Block Grant Program (EECBG)	81.128	ARRA-DE-SC0003184	234,499
<u>Passed through the State Energy Commission</u>			
ARRA - State Energy Program	81.041	ARRA-DE-EE0000221	86,857
Total U.S. Department of Energy			
			321,356
U.S. Department of Education			
<u>Passed through State Department of Rehabilitation</u>			
Rehabilitation Services - Vocational Rehabilitation Grants to States	84.126	27345	99,007
<u>Passed through the State Department of Alcohol and Drug Programs</u>			
Safe and Drug-Free Schools and Communities - State Grants	84.186	SDF 07-01	233,491
Total U.S. Department of Education			
			332,498
U.S. Election Assistance Commission			
<u>Direct Federal Programs</u>			
Help America Vote Act Requirements Payments - Section 301	90.401	07G30142,AMD#1	380,998

See accompanying notes to Schedule of Expenditures of Federal Awards.

COUNTY OF SONOMA, CALIFORNIA
Schedule of Expenditures of Federal Awards (Continued)
For the Fiscal Year Ended June 30, 2010

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal CFDA No.	Federal Agency / Pass-through Entity Identifying Number	Federal Expenditures
U.S. Department of Health and Human Services			
<u>Direct Federal Programs</u>			
Coordinated Services and Access to Research for Women, Infants, Children, and Youth	93.153	6H12HA23035-08-03, 6H12HA23035-09-01	220,919
Drug-Free Communities Support Program Grants	93.276	2H79SP014746-06	125,973
HIV Emergency Relief Project Grants:			
Ryan White Part A	93.914	6H89HA00042-15-02	1,097,929
Minority AIDS Initiative	93.914	5H3MHA08435-03-00	50,000
Subtotal HIV Emergency Relief Project Grants			1,147,929
Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease - Ryan White Part C	93.918	4H76HA00580-10-01	409,806
Subtotal Direct Federal Programs			<u>1,904,627</u>
<u>Passed through the National Association of County and City Health Official</u>			
Medical Reserve Corps Small Grant Program	93.008	MRC10-48	1,256
<u>Passed through the office of the California Secretary of State</u>			
Voting Access for Individuals with Disabilities - Grants to States	93.617	08G26118	29,387
<u>Passed through the State Department of Aging</u>			
			State Expenditures
Special Programs for the Aging - Title VII, Chapter 3 - Programs for Prevention of Elder Abuse, Neglect, and Exploitation	93.041	AP-0910-27	\$ -
Special Programs for the Aging - Title VII, Chapter 2 - Long Term Care Ombudsman Services for Older Individuals	93.042	AP-0910-27	-
Special Programs for the Aging - Title III, Part D - Disease Prevention and Health Promotion Services	93.043	AP-0910-27	-
National Family Caregiver Support, Title III, Part E Aging Cluster:	93.052	AP-0910-27	-
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	AP-0910-27	-
Special Programs for the Aging - Title III, Part C - Nutrition Services	93.045	AP-0910-27	129,970
Nutrition Services Incentive Program	93.053	AP-0910-27	-
ARRA - Aging Home - Delivered Nutrition Services for States	93.705	ARRA-AP-0910-27	-
ARRA - Aging Congregate Nutrition Services for States	93.707	ARRA-AP-0910-27	-
Subtotal Aging Cluster			726,958
Medicare Enrollment Assistance Program	93.071	MI-0910-27	-
Medical Assistance Program - Title XIX Medicaid Waiver	93.778	MS-0910-11	-
Centers for Medicare and Medicaid Services (CMS) Research Demonstrations and Evaluations	93.779	HI-0910-27	307,676
Subtotal Passed through State Department of Aging			<u>\$ 437,646</u>
<u>Passed through the State Department of Mental Health</u>			
Projects for Assistance in Transition from Homelessness (PATH)	93.150	N/A	62,749
Block Grants for Community Mental Health Services	93.958	N/A	246,483
Subtotal passed through the State Department of Mental Health			<u>309,232</u>
<u>Passed through the State Department of Public Health</u>			
Project Grants and Cooperative Agreements for Tuberculosis Control Programs Immunization Cluster:	93.116	TBCB-01-49	30,000
Immunization Grants	93.268	09-11304	176,194
ARRA - Immunization	93.712	ARRA-09-11304	100,000
Subtotal Immunization Cluster			276,194
Centers for Disease Control and Prevention - Investigations and Technical Assistance: Preparedness and Response to Bioterrorism	93.283	EPO CDC 08-49, EPO 09-49	589,109
Temporary Assistance for Needy Families - Community Challenge	93.558	05-45253	209,986
Medical Assistance Program:			
Adolescent Family Life - Title XIX	93.778	2009-49	445,003
Maternal Child and Adolescent Health Grant - Title XIX	93.778	2009-49	198,267
Subtotal Medical Assistance Program			643,270
National Bioterrorism Hospital Preparedness Program	93.889	EPO P3-49, EPO P4-49, EPO 09-49, EPO HPP 07-49, EPO 08-49	1,219,213
Preventive Health Services - Sexually Transmitted Disease Control Grants Chlamydia Screening Project	93.977	09-11155	24,000
Maternal and Child Health Services Block Grants to the States: Maternal and Child Health Services Block Grants to the States - 2009	93.994	2009-49	142,811
Adolescent Family Life - Title V	93.994	2009-49	186,099
Subtotal Maternal and Child Health Services Block Grants to States			328,910
Subtotal Passed through the State Department of Public Health			<u>3,320,682</u>

See accompanying notes to Schedule of Expenditures of Federal Awards.

COUNTY OF SONOMA, CALIFORNIA
Schedule of Expenditures of Federal Awards (Continued)
For the Fiscal Year Ended June 30, 2010

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal CFDA No.	Federal Agency / Pass-through Entity Identifying Number	Federal Expenditures
U.S. Department of Health and Human Services (Continued)			
<u>Passed through the State Department of Health Care Services</u>			
Prevention Health and Health Services Block Grant	93.991	N/A	538,155
Children's Health Insurance Program	93.767	N/A	315,711
Medical Assistance Program - Administration	93.778	08-85136	1,365,136
Medical Assistance Program - Children	93.778	N/A	1,025,790
Subtotal Medical Assistance Program			2,390,926
Subtotal passed through the State Department of Health Care Services			3,244,792
<u>Passed through the State Department of Education</u>			
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	CAPP-9077	86,296
<u>Passed through the State Department of Public Health - Office of AIDS</u>			
HIV Care Formula Grants	93.917	07-65088-A01	478,918
<u>Passed through the State Department of Alcohol and Drug Programs</u>			
Block Grants for Prevention and Treatment of Substance Abuse	93.959	SCC49 (09/10)	2,575,150
<u>Passed through the State Department of Social Services</u>			
Promoting Safe and Stable Families	93.556	N/A	321,395
Refugee and Entrant Assistance - State Administered Programs	93.566	N/A	24,144
TANF Cluster:			
Temporary Assistance for Needy Families - Program Administration	93.558	11001	19,624,187
Temporary Assistance for Needy Families - FGU	93.558	11001	12,548,155
ARRA - Emergency Contingency Fund for Temporary Assistance for Needy Families (TANF) State Program	93.714	ARRA-11001	944,695
Subtotal TANF Cluster			33,117,037
Child Welfare Services - State Grants - Title IV-B	93.645	12313	317,970
Foster Care - Title IV-E	93.658	12307	3,537,798
Foster Care - Title IV-E - Administration	93.658	12307	3,181,147
Foster Care - Title IV-E - Administration	93.658	0601CA1401	2,410,885
ARRA - Foster Care - Title IV-E	93.658	ARRA-12307	200,656
Subtotal Foster Care - Title IV-E			9,330,486
Adoption Assistance	93.659	12402	2,029,619
Adoption Assistance - Administration	93.659	12402	670,133
ARRA - Adoption Assistance	93.659	ARRA-12402	57,488
Subtotal Adoption Assistance			2,757,240
Social Services Block Grant	93.667	N/A	1,145,284
Chafee Foster Care Independent Program	93.674	12332	126,990
ARRA - Aging Congregate Nutrition Services for States	93.707	ARRA-12402	1,897
Medical Assistance Program	93.778	05-45175	15,865,462
Subtotal Passed through the State Department of Social Services			63,007,905
<u>Passed through the State Department of Child Support Services</u>			
Child Support Enforcement	93.563	N/A	7,675,566
ARRA - Child Support Enforcement	93.563	N/A	1,581,300
Subtotal Passed through the State Department of Child Support Services			9,256,866
Subtotal U.S. Department of Health and Human Services - Passed through other agencies			85,218,562
Total U.S. Department of Health and Human Services			87,123,189
U.S. Department of Homeland Security			
<u>Passed through the California Emergency Management Agency</u>			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	DR - 1628	10,620
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	DR - 1628	284,798
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	DR - 1628	1,883
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	DR - 1646	188,557
Subtotal Disaster Grants - Public Assistance (Presidentially Declared Disasters)			485,858
Emergency Management Performance Grants	97.042	2009-15	137,051
State Homeland Security Program (SHSP)	97.073	2008-0006	568,310
Subtotal Passed through the California Emergency Management Agency			1,191,219
<u>Passed through the San Francisco Department of Emergency Management</u>			
Homeland Security Grant Program	97.067	2008-0006	247,542
Total U. S. Department of Homeland Security			1,438,761
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 117,547,807

See accompanying notes to Schedule of Expenditures of Federal Awards.

COUNTY OF SONOMA, CALIFORNIA
Notes to the Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2010

NOTE 1 – GENERAL

The accompanying schedule of expenditures of federal awards (SEFA) for the fiscal year ended June 30, 2010, presents the activity of all federal award programs of the County of Sonoma, California (County) with the exception of the federal award programs of the Sonoma County Community Development Commission, Sonoma County Library and the County of Sonoma Transportation Project Fund (Transit), which were subject to separate audits by independent auditors.

The expenditures incurred under federal award programs audited by other auditors are as follows:

Sonoma County Community Development Commission	\$ 33,482,002
Sonoma County Transportation Project Fund	4,521,491
Sonoma County Library	53,617

The County reporting entity is defined in Note 1 to the County's basic financial statements. All federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, are included on the SEFA. The SEFA includes certain expenditures of State awards required by the State Department of Aging.

NOTE 2 – BASIS OF ACCOUNTING

The accompanying SEFA is presented using the modified accrual basis of accounting for grants accounted for in the governmental fund types and the accrual basis of accounting for grants accounted for in the proprietary fund types, as described in Note 1 to the County's basic financial statements.

NOTE 3 – CATALOG OF FEDERAL DOMESTIC ASSISTANCE (CFDA) NUMBERS

The CFDA numbers included in the accompanying SEFA were determined based on the program name, review of grant contract information and the Office of Management and Budget's Catalog of Federal Domestic Assistance.

NOTE 4 – SENIOR FARMERS MARKET NUTRITION PROGRAM

Senior Farmers Market Nutrition Program expenditures of \$5,000 represent the face value of coupons distributed in the County. They do not represent cash expenditures and accordingly are not reported in the County's basic financial statements for the fiscal year ended June 30, 2010.

COUNTY OF SONOMA, CALIFORNIA
Notes to the Schedule of Expenditures of Federal Awards (Continued)
For the Fiscal Year Ended June 30, 2010

NOTE 5 – AMOUNT PROVIDED TO SUBRECIPIENTS

Of the total federal expenditures presented in the SEFA, the following amounts were passed through to subrecipients:

Program Title	CFDA Number	Amount Provided to Subrecipients
Housing Opportunities for Persons with AIDS	14.241	\$ 388,810
Drug Court Discretionary Grant Program	16.585	40,587
Edward Byrne Memorial Justice Assistance Grant Program	16.738	71,371
ARRA - Recovery Act - Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants to States and Territories	16.803	159,230
ARRA - Recovery Act - Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants to Units of Local Government	16.804	130,650
WIA Cluster	17.258, 17.259, 17.260	1,671,600
Highway Planning and Construction	20.205	62,976
State and Community Highway Safety	20.600	92,832
ARRA - State Energy Program	81.041	48,012
Safe and Drug-Free Schools and Communities - State Grants	84.186	108,429
Special Programs for the Aging - Title VII, Chapter 2 - Long Term Care Ombudsman Services for Older Individuals	93.042	34,334
Special Programs for the Aging - Title III, Part D - Disease Prevention and Health Promotion Services	93.043	18,961
National Family Caregiver Support, Title III, Part E Aging Cluster	93.052	200,679
	93.044, 93.045, 93.053, 93.705, 93.707	1,231,919
Medicare Enrollment Assistance Program	93.071	6,676
Coordinated Services and Access to Research for Women, Infants, Children, and Youth	93.153	8,911
Immunization Grants	93.268	79,893
Drug Free Communities Support Program Grants	93.276	13,254
Promoting Safe and Stable Families	93.556	183,840
Temporary Assistance for Needy Families	93.558	493,411
ARRA - Aging Home - Delivered Nutrition Services for States	93.705	39,394
ARRA - Aging Congregate Nutrition Services for States	93.707	80,018

COUNTY OF SONOMA, CALIFORNIA
Notes to the Schedule of Expenditures of Federal Awards (Continued)
For the Fiscal Year Ended June 30, 2010

NOTE 5– AMOUNT PROVIDED TO SUBRECIPIENTS (Continued)

Program Title	CFDA Number	Amount Provided to Subrecipients
Medical Assistance Program	93.778	48,119
Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations	93.779	123,551
National Bioterrorism Hospital Preparedness Program	93.889	194,363
HIV Emergency Relief Project Grants	93.914	380,617
ARRA - Emergency Contingency Fund for Temporary Assistance for Needy Families (TANF) State Program	93.714	627,151
Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease	93.918	54,453
Block Grants for Community Mental Health Services	93.958	246,483
Block Grants for Prevention and Treatment of Substance Abuse	93.959	1,160,703
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	38,990
Total		<u>\$ 8,040,217</u>

NOTE 6 – PROGRAM TOTALS

The schedule of expenditures of federal awards does not summarize programs that cross agency funding sources. The following summarizes those programs that cross agency funding sources:

Program Title	CFDA Number	Pass Through Agency	Amount
Medical Assistance Program	93.778	State Department of Aging	\$ 771,300
		State Department of Public Health	643,270
		State Department of Health Care Services	2,390,926
		State Department of Social Services	15,865,462
		Program Total	<u>\$ 19,670,958</u>
TANF Cluster	93.558	State Department of Social Services	\$ 33,117,037
		State Department of Public Health	209,986
			<u>\$ 33,327,023</u>
Aging Cluster	93.044, 93.045, 93.053, 93.705, 93.707	State Department of Aging	\$ 1,691,060
		State Department of Social Services	1,897
			<u>\$ 1,692,957</u>
			<u>\$ 1,692,957</u>

COUNTY OF SONOMA, CALIFORNIA
Notes to the Schedule of Expenditures of Federal Awards (Continued)
For the Fiscal Year Ended June 30, 2010

**NOTE 7– SCHEDULE OF STATE OF CALIFORNIA EMERGENCY MANAGEMENT
AGENCY GRANT EXPENDITURES**

The following represents the State of California Emergency Management Agency grant expenditures, by department, for the fiscal year ended June 30, 2010. Budgets are established at the combined grant level.

Vertical Prosecution – Grant No. VB 08060490

<u>Department/Category</u>	<i>2010 State Funded Expenditures</i>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
District Attorney:			
Personal services	\$ 188,075	\$ 188,075	\$ -
Operating expenses	2,069	2,069	-
Total	<u>\$ 190,144</u>	<u>\$ 190,144</u>	<u>\$ -</u>

Anti-Drug Abuse Program - Grant No. DC 09200490

<u>Department/Category</u>	<i>2010 Federally Funded Expenditures</i>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Sheriff:			
Personal services	\$ 189,901	\$ 189,901	\$ -
Operating expenses	33,326	33,326	-
Subtotal Sheriff	<u>223,227</u>	<u>223,227</u>	<u>-</u>
District Attorney:			
Operating expenses	55,757	55,757	-
Totals:			
Personal services	189,901	189,901	-
Operating expenses	89,083	89,083	-
Total	<u>\$ 278,984</u>	<u>\$ 278,984</u>	<u>\$ -</u>

COUNTY OF SONOMA, CALIFORNIA
Notes to the Schedule of Expenditures of Federal Awards (Continued)
For the Fiscal Year Ended June 30, 2010

**NOTE 7- SCHEDULE OF STATE OF CALIFORNIA EMERGENCY MANAGEMENT
AGENCY GRANT EXPENDITURES (Continued)**

California Multi-Jurisdictional Meth Enforcement Team - Grant No. MH 08030490

<u>Department/Category</u>	<i>2010 State Funded Expenditures</i>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Sheriff:			
Personal services	\$ 189,088	\$ 189,088	\$ -
Operating expenses	28,988	28,988	-
Total	<u>\$ 218,076</u>	<u>\$ 218,076</u>	<u>\$ -</u>

Victim Assistance/Victim Witness Program - Grant No. VW 09280490

<u>Department/Category</u>	<i>2010 Expenditures</i>			<u>Variance</u>
	<u>Budget</u>	<u>Federal Actual</u>	<u>State Actual</u>	
District Attorney:				
Personal services	\$ 265,987	\$ 121,600	\$ 139,890	\$ 4,497

COUNTY OF SONOMA, CALIFORNIA
Notes to the Schedule of Expenditures of Federal Awards (Continued)
For the Fiscal Year Ended June 30, 2010

NOTE 8- ADDITIONAL INFORMATION FOR THE STATE OF CALIFORNIA
DEPARTMENT OF AGING

The following represents the State of California Department of Aging grant expenditures, for the fiscal year ended June 30, 2010.

<u>Community Based Services Programs and Special Deposit</u>	
Contract AP-0910-27 - State Funded	
	Amount
Alzheimer's Day Care Resource Center Program	\$ 14,187
Brown Bag Program	5,551
Linkages Program	57,953
Administrations	8,404
Ombudsman Initiative (Special Deposit)	48,679
	\$ 134,774

To the Honorable Members of the
Board of Supervisors
County of Sonoma, California

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County of Sonoma, California (the County), as of and for the fiscal year ended June 30, 2010, which collectively comprise the County's basic financial statements and have issued our report thereon dated December 16, 2010. Our report contained an explanatory paragraph describing the County's adoption of the provisions of Governmental Accounting Standards Board (GASB) Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*. We did not audit the financial statements of the Sonoma County Community Development Commission major Special Revenue Fund. Also, we did not audit the financial statements of the Sonoma County Library, the Sonoma County Fair and Exposition, Inc., and the County of Sonoma Transportation Project Fund (Transit) which represent the following percentages of assets, net assets/fund balances and revenues as of and for the fiscal year ended June 30, 2010:

<u>Opinion Unit</u>	<u>Assets</u>	<u>Net Assets / Fund Balance</u>	<u>Revenues</u>
Governmental Activities	5.4%	8.0%	7.4
Business-type Activities	8.8	11.9	19.0
Aggregate Remaining Fund Information	4.4	5.4	16.0

Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinions, insofar as they relate to the amounts included for those entities, are based solely on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Other auditors audited the financial statements of the Sonoma County Community Development Commission major Special Revenue fund, Sonoma County Library and the Sonoma Transportation Project Fund, as described in our report on the County's financial statements. This report does not include the results of other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted a certain matter that we reported to management of the County in a separate letter dated December 16, 2010.

This report is intended solely for the information and use of management, the County Board of Supervisors, others within the county, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Certified Public Accountants

Sacramento, California
December 16, 2010

To the Honorable Members of the
Board of Supervisors
County of Sonoma, California

**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT
COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM, ON
INTERNAL CONTROL OVER COMPLIANCE AND SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS IN ACCORDANCE WITH OMB CIRCULAR A-133**

Compliance

We have audited the County of Sonoma, California’s (County) compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the County’s major federal programs for the fiscal year ended June 30, 2010. The County’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the County’s management. Our responsibility is to express an opinion on the County’s compliance based on our audit.

The County’s basic financial statements include the operations of the following entities, which are not included in the schedule of expenditures of federal awards for the year ended June 30, 2010:

Entity	Federal Expenditures
Sonoma County Community Development Commission	\$ 33,482,002
Sonoma County Transportation Project Fund	4,521,491
Sonoma County Library	53,617

Our audit, described below, did not include the operations of those entities as those entities were audited separately by other auditors in accordance with OMB Circular A-133.

We conducted our audit of compliance 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, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the County’s compliance with those requirements.

In our opinion, the County complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the fiscal year ended June 30, 2010. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 2010-1, 2010-2 and 2010-3.

Internal Control Over Compliance

The management of the County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified a certain deficiency in internal control over compliance that we consider to be a material weakness and other deficiencies that we consider to be significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2010-1 to be a material weakness.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2010-2 and 2010-3 to be significant deficiencies.

The County's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the County's responses and, accordingly, we express no opinion on the responses.

Schedule of Expenditures of Federal Awards

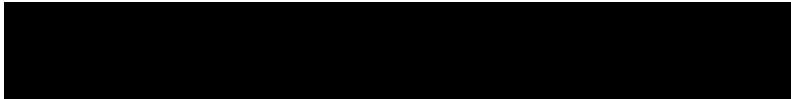
We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County, as of and for the fiscal year ended June 30, 2010, and have issued our report thereon dated December 16, 2010. Our report contained an explanatory paragraph describing the City's adoption of the provisions of Governmental Accounting Standards Board (GASB) Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. We did not audit the financial statements of the Sonoma County Community Development Commission major Special Revenue Fund. Also, we did not audit the financial statements of the Sonoma County Library, the Sonoma County Fair and Exposition, Inc., and the County of Sonoma Transportation Project Fund (Transit), which represent the following percentages of assets, net assets/fund balances and revenues as of and for the fiscal year ended June 30, 2010:

<u>Opinion Unit</u>	<u>Assets</u>	<u>Fund Balance</u>	<u>Revenues</u>
Governmental Activities	5.4%	8.0%	7.4
Business-type Activities	8.8	11.9	19.0
Aggregate Remaining Fund Information	4.4	5.4	16.0

Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinions, insofar as they relate to the amounts included for those entities, are based solely on the reports of the other auditors.

The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. The schedule of expenditures of federal awards does not include the expenditures of federal awards made by the Sonoma County Community Development Commission, the Sonoma County Transportation Project Fund and the Sonoma County Library as those entities are audited by other auditors in accordance with OMB Circular A-133. The schedule of expenditures of federal awards has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of management, the County Board of Supervisors, others within the county, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Certified Public Accountants

Sacramento, California
February 21, 2011, except for the
schedule of expenditures of federal awards,
as to which the date is December 16, 2010

**COUNTY OF SONOMA, CALIFORNIA
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2010**

Section I – Summary of Auditor’s Results

Financial Statements:

Type of auditor’s report issued:	Unqualified
Internal control over financial reporting:	
• Material weaknesses identified?	No
• Significant deficiencies identified that are not considered to be material weaknesses?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards:

Internal control over major programs:	
• Material weaknesses identified?	Yes
• Significant deficiencies identified that are not considered to be material weaknesses?	Yes
Type of auditor’s report issued on compliance for major programs:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?	Yes
Identification of major programs:	
<u>Program Title</u>	<u>CFDA Number(s)</u>
○ Supplemental Nutrition Assistance Program Cluster	10.561
○ ARRA-Recovery Act – Edward Byrne Memorial Justice Assistance Grant (JAG) Program / Grants to Units of Local Government	16.804
○ WIA Cluster	17.258,17.259,17.260
○ Airport Improvement Program	20.106
○ Highway Planning and Construction	20.205
○ TANF Cluster	93.558, 93.714
○ Foster Care	93.658
○ Adoption Assistance	93.659
Dollar threshold used to distinguish between Type A and Type B programs:	\$3,000,000
Auditee qualified as low-risk auditee?	No

COUNTY OF SONOMA, CALIFORNIA
Schedule of Findings and Questioned Costs (Continued)
For the Fiscal Year Ended June 30, 2010

Section II – Financial Statement Findings

None.

Section III – Federal Award Findings and Questioned Costs (Continued)

Finding 2010-1: Procurement and Suspension and Debarment
CFDA Title: ARRA-Recovery Act Edward Byrne Memorial Justice Assistance Grant (JAG) Formula Program/Grants to Units of Local Governments
CFDA Number: 16.804
Award Number: ARRA-2009-SB-B9-2363
Award Year: 2009
Federal Agency: Department of Justice

Criteria

U.S. OFFICE OF MANAGEMENT AND BUDGET CIRCULAR A-133, AUDITS OF STATES, LOCAL GOVERNMENTS, AND NON-PROFIT ORGANIZATIONS (OMB CIRCULAR A-133), Subpart C – Auditees, Section .300 – Auditee Responsibilities:

- (b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and provisions of contracts or grant agreements that could have a material effect on each of its Federal programs.

TITLE 28 – JUDICIAL ADMINISTRATION – CHAPTER I DEPARTMENT OF JUSTICE PART 67 – GOVERNMENT WIDE DEBARMENT AND SUSPENSION (NONPROCUREMENT), SUBPART B – Covered Transactions, Section 67.300 - What must I do before I enter into a covered transaction with another person at the next lower tier?

When you enter into a covered transaction with another person at the next lower tier, you must verify that the person with whom you intend to do business is not excluded or disqualified. You do this by:

- (a) Checking the *Excluded Parties List System (EPLS)*; or
- (b) Collecting a certification from that person if allowed by this rule; or
- (c) Adding a clause or condition to the covered transaction with that person.

TITLE 28 – JUDICIAL ADMINISTRATION – CHAPTER I DEPARTMENT OF JUSTICE PART 67 – GOVERNMENT WIDE DEBARMENT AND SUSPENSION (NONPROCUREMENT), SUBPART B – Covered Transactions, Section 67.305 – May I enter into a covered transaction with an excluded or disqualified person?

- (a) You as a participant may not enter into a covered transaction with an excluded person, unless the Department of Justice grants an exception under §67.120.
- (b) You may not enter into any transaction with a person who is disqualified from that transaction, unless you have obtained an exception under the disqualifying statute, Executive order, or regulation.

COUNTY OF SONOMA, CALIFORNIA
Schedule of Findings and Questioned Costs (Continued)
For the Fiscal Year Ended June 30, 2010

Finding 2010-1 (Continued)

Condition

The County does not maintain adequate internal controls over compliance with federal suspension and debarment requirements as demonstrated by not performing procedures, as required by CFR28 Part 67.300, to ensure a vendor selected to enter into a covered transaction was not suspended or debarred from participating in Federal procurement.

Questioned Costs

There are no questioned costs identified as a result of the condition because the vendor was not suspended or debarred per the EPLS.

Context

We reviewed the only covered transaction of the program in the amount of \$81,514.

Effect

By not performing an independent check on the EPLS or obtaining suspension and debarment certifications, the County runs the risk of entering into covered transactions with a party that is excluded from participating in Federal procurement transactions. Entering into covered transactions with a party that is suspended or debarred would result in questioned costs and may not be reimbursed by the awarding federal agency.

Cause

The County does not have adequate policies or procedures in place to ensure parties are not suspended or debarred from participating in Federal procurement transactions.

Recommendation

We recommend that the County establish policies and procedures to ensure that it is performing the required verifications for suspension and debarment for covered transactions.

Management's Response

Sheriff's Office management agrees with the condition and will work with the Sonoma County Auditor Controller Treasurer Tax Collector (ACTTC) and the Sonoma County General Services Department Purchasing Division to assist with the development of County policies and procedures to ensure that verification of federal suspension and/or debarment are adequately checked and certification is required from all vendors and/or service providers that are compensated with federal funds. The Sheriff's Office will incorporate a section in our internal Sheriff's Purchasing and Contracting policies which will address the verification of a service provider and/or product vendor who we intend to do business with.

COUNTY OF SONOMA, CALIFORNIA
Schedule of Findings and Questioned Costs (Continued)
For the Fiscal Year Ended June 30, 2010

Finding 2010-1 (Continued)

Management's Response (Continued)

This verification will include the assurance that they are not excluded or disqualified from participating in Federal procurement. We will do this by including one of the following federally approved mechanisms:

- (a) Checking the *Excluded Parties List System (EPLS)*; or
- (b) Collecting a certification from that person if allowed by this rule; or
- (c) Adding a clause or condition to the covered transaction with that person.

Finding 2010-2:	Reporting
CFDA Title:	WIA Cluster
CFDA Number:	17.258, 17.259, 17.260
Award Number:	R970573, ARRA-AA-17110-08-55-A-6,
Award Year:	2010
Federal Agency:	Department of Labor
Pass-Through Agency:	State of California Employment Development Department

Criteria

In accordance with the quarterly and monthly financial requirements issued by the State of California Employment Development Department (EDD), the county must submit quarterly financial reports by the 20th day of the month following the end of each report period.

Condition

The County did not submit required quarterly financial reports in a timely manner.

Questioned Costs

There are no questioned costs identified as a result of the condition.

Context

8 of 30 reports reviewed were submitted subsequent to required deadline. All 8 reports were submitted 23 days following the end of the reporting period.

Effect

The county risks disciplinary action from EDD.

Cause

The County does not have adequate policies or procedures in place to comply with its quarterly reporting requirement to EDD.

COUNTY OF SONOMA, CALIFORNIA
Schedule of Findings and Questioned Costs (Continued)
For the Fiscal Year Ended June 30, 2010

Finding 2010-2 (Continued)

Recommendation

We recommend that the County establish policies and procedures to ensure that it submits its quarterly reports in a timely manner.

Management's Response

In 2001, The State of California Employment Development Department (EDD) agreed to allow counties that had combined Workforce Investment Boards and Human Services Departments to generate program costs using the County Expense Claim (CEC), a quarterly cost accounting and claiming system generated by the State Department of Social Services. The costs generated by the CEC would then be entered into the EDD quarterly claim. The CEC is due on the last day of the month following the end of each report period while the EDD claim is due on the 20th day of the same month.

Because the EDD claim is due earlier than the CEC, counties who are under this methodology have struggled with meeting the EDD deadline. EDD has acknowledged this problem by allowing counties to file their claim later when the county has contacted their analyst at EDD and told them the claim would be late. In every instance when the auditor has noted our EDD report was submitted after the deadline, an EDD analyst has verbally OK'd the late submission. The County was never at risk for disciplinary action from EDD.

The finding lists 8 reports as not submitted timely. This is actually only one quarter with a late submission, but with 8 grant codes reported. Both the staff person who prepares the CEC and the staff person who prepares the EDD claim are aware of the EDD deadline and diligently try to meet that deadline. However, the CEC requires many data components to be compiled, some of which arrive late into their hands. If the situation occurs in the future, the County will ask EDD for a written communication that allows the late submission of the EDD claim.

Finding 2010-3:	Eligibility
CFDA Title:	Adoption Assistance
CFDA Number:	93.659
Award Number:	12402
Award Year:	2010
Federal Agency:	Department of Health and Human Services
Pass-Through Agency:	State of California Department of Social Services

Criteria

U.S. OFFICE OF MANAGEMENT AND BUDGET CIRCULAR A-133, AUDITS OF STATES, LOCAL GOVERNMENTS, AND NON-PROFIT ORGANIZATIONS (OMB CIRCULAR A-133), Subpart C – Auditees, Section .300 – Auditee Responsibilities:

(b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and provisions of contracts or grant agreements that could have a material effect on each of its Federal programs.

COUNTY OF SONOMA, CALIFORNIA
Schedule of Findings and Questioned Costs (Continued)
For the Fiscal Year Ended June 30, 2010

Finding 2010-3 (Continued)

Condition

A county social worker is required to review and signature approve the State of California's form *AAP 4 - Eligibility Certification – Adoption Assistance Program* (form AAP 4) prepared by the local adoption agency that performed the eligibility determination. The social worker's approval is one of the county's controls performed in combination with other significant controls to ensure each case meets the eligibility criteria of the program prior to authorization of Adoption Assistance Program payments. Documentation of the County's approval was not consistently included on the form AAP 4 maintained in the participants' case files.

Questioned Costs

There are no questioned costs identified as a result of the condition because sufficient documentation was provided to support the eligibility of the cases reviewed.

Context

6 of 40 cases reviewed did not contain signature approval of a County social worker on the form AAP 4.

Effect

The county risks authorizing Adoption Assistance Program payments to participants ineligible for the program.

Cause

The County does not have adequate monitoring policies and procedures in place to ensure form AAP 4 are approved prior to authorization of adoption assistance program payments.

Recommendation

We recommend that the County establish policies and procedures to ensure that it form AAP 4 is approved prior to authorization of adoption assistance benefit payments.

Management's Response

Management agrees with the recommendation. The County has updated the policy for initiating and reviewing Adoption Assistance instructions on the AAP 4 form in order to remedy this finding. To ensure that all current Adoption files have the necessary signatures and the correct funding designation, the foster care unit will review each Adoption Assistance case that is currently receiving Adoption Assistance payments. The Department will develop a list from the CalWIN data system of payments made during the most recent payment month. Each Eligibility Worker will be responsible for reviewing the Adoption cases in their caseload. The review will consist of ensuring that all necessary signatures are present, contacting State Adoptions if an Adoption Worker signature is not present, ensuring that an Eligibility Worker has signed the AAP 4 form and verifying that the funding designation is correct. We expect that this process will take up to 45 days. Once the review has been completed, the list from each EW will be returned to the Foster Care Analyst and will become part of the Audit file.

COUNTY OF SONOMA, CALIFORNIA
Status of Prior Year Finding
For the Fiscal Year Ended June 30, 2010

Finding 2009-1: Subrecipient Monitoring – Award Notification
CFDA Title: WIA Cluster
CFDA Number: 17.258, 17.259 & 17.260
Award Number: R970573, R865494, R760358
Award Year: 2009
Federal Agency: Department of Labor

Pass-Through Agency: State of California, Employment Development Department

Audit Finding: In accordance with section OMB Circular A-133 §.400(c)(1) the County must identify Federal awards made by informing each recipient of the CFDA title and number, award name and number, award year. We noted that 2 of the agreements with the County's 5 subrecipients were missing the proper identification of the CFDA title and number.

Status of Corrective Action: Corrected. The County formally notified all of its subrecipients of the proper CFDA title and number in writing and has modified its subrecipient contract template to include the required information.