

COUNTY OF ORANGE, CALIFORNIA

Single Audit Report

For the Year Ended June 30, 2008

COUNTY OF ORANGE, CALIFORNIA

SINGLE AUDIT REPORT

For the Year Ended June 30, 2008

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**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**

Board of Supervisors
County of Orange, California

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 Orange, California (County), as of and for the year ended June 30, 2008, which collectively comprise the County's basic financial statements and have issued our report thereon dated December 19, 2008. Our report included an explanatory paragraph regarding the County's adoption of Governmental Accounting Standards Board (GASB) Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, GASB Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers*, and GASB Statement No. 50, *Pension Disclosures – an amendment of GASB Statement No. 25 and 27*, for the year ended June 30, 2008. 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.

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 control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the County's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the County's financial statements that is more than inconsequential will not be prevented or detected by the County's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the County's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be 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 certain other matters that we reported to management of the County in a separate letter dated December 19, 2008.

This report is intended solely for the information and use of the Board of Supervisors, the County's Audit Oversight Committee, County management and 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.

Handwritten signature in cursive script: Vavrinch, Travis, DMS & Co, LLP

Rancho Cucamonga, California
December 19, 2008



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM, ON INTERNAL CONTROL OVER COMPLIANCE AND THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS IN ACCORDANCE WITH OMB CIRCULAR A-133, SUPPLEMENTARY SCHEDULE OF CATEGORICAL EXPENDITURE DISTRIBUTION FOR THE CORRECTION STANDARDS AUTHORITY AND OFFICE OF EMERGENCY SERVICES GRANT PROGRAMS, AND SCHEDULE OF GRANT EXPENDITURES FOR GRANTS PROVIDED BY THE CALIFORNIA HEALTH AND HUMAN SERVICES AGENCY, DEPARTMENT OF AGING

Board of Supervisors
County of Orange, California

Compliance

We have audited the compliance of the County of Orange, California (County), with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2008. 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.

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 of the County's compliance with those requirements.

In our opinion, the County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2008. 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 2008-01, 2008-02, 2008-03, 2008-05 through 2008-08, 2008-10, 2008-11, 2008-13 and 2008-14.

Internal Control Over Compliance

The management of the County is responsible for establishing and maintaining effective internal control over compliance with the 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 requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of the County's 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 purposes described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A *control deficiency* in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2008-02 through 2008-05 and 2008-09 through 2008-13 to be significant deficiencies.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control. We do not consider any of the deficiencies described in the accompanying schedule of findings and questioned costs to be material weaknesses.

Schedule of Expenditures of Federal Awards, Supplementary Schedule of Categorical Expenditure Distribution for the Correction Standards Authority and Office of Emergency Services Grant Programs and Schedule of Grant Expenditures for Grants Provided by the California Health and Human Services Agency, Department of Aging

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 Orange, California (County), as of and for the year ended June 30, 2008, and have issued our report thereon dated December 19, 2008. Our report included an explanatory paragraph regarding the County's adoption of Governmental Accounting Standards Board (GASB) Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, GASB Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers*, and GASB Statement No. 50, *Pension Disclosures – an amendment of GASB Statement No. 25 and 27*, for the year ended June 30, 2008. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying schedule of expenditures of federal awards, supplementary schedule of categorical expenditure distribution for the Correction Standards Authority and Office of Emergency Services grant programs and schedule of grant expenditures for grants provided by the California Health and Human Services Agency, Department of Aging are presented for purposes of additional analysis as required by OMB Circular A-133, the Correction Standards Authority, the Office of Emergency Services and California Health and Human Services Agency, Department of Aging, respectively, and are not a required part of the basic financial statements. Such information 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.

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 them.

This report is intended solely for the information and use of the Board of Supervisors, the County's Audit Oversight Committee, County management, 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.

Vavrinch, Tracie, Dugan Co., LLP

Rancho Cucamonga, California

March 4, 2009, except for the paragraph on the schedule of expenditures of federal awards, supplementary schedule of categorical expenditure distribution for the Correction Standards Authority and Office of Emergency Services grant programs and schedule of grant expenditures for grants provided by the California Health and Human Services Agency, Department of Aging, as to which the date is December 19, 2008.

COUNTY OF ORANGE, CALIFORNIA

**Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2008**

Federal Grantor County Program Name Direct or Indirect (1)	Catalog of Federal Domestic Assistance Number (CFDA #)	Pass-Through Entity's Identifying Number (2)	Pass-Through Entity's Name	Disbursements/ Expenditures	Responsible County Department/Agency
Department (Dept.) of Agriculture					
Food Stamps Incentive (indirect)	10.551	1946001347 A7	CA Dept. of Social Services	\$ 51,854	Social Services Agency
Value of Food Stamps Issued (indirect)	10.551	1946001347 A7	CA Dept. of Social Services	106,562,354	Social Services Agency
Non-Assisted Food Stamp (indirect)	10.561	1946001347 A7	CA Dept. of Social Services	14,831,565	Social Services Agency
Non-Assisted Food Stamp - CalWIN (indirect)	10.561	1946001347 A7	CA Dept. of Social Services	1,161,473	Social Services Agency
Nutrition Network (indirect)	10.561	04-35455, 07-65333	CA Dept. of Social Services	278,310	Health Care Agency
Regional Nutrition Network (indirect)	10.561	04-35889	CA Dept. of Health Services	<u>641,192</u>	Health Care Agency
Subtotal 10.551 and 10.561 (Food Stamp Cluster)				<u>123,526,748</u>	
School Breakfast, Lunch, and Milk Program (indirect)	10.553	30-34306-9003500-1	CA Dept. of Education	1,238,812	Probation
Women, Infants, and Children (WIC) (indirect)	10.557	05-45780	CA Dept. of Health Services	5,087,550	Health Care Agency
Basic Meal Reimbursement - Orangewood (indirect)	10.558	1946001347 A7	CA Dept. of Social Services	113,785	Social Services Agency
Value of Senior Farmer's Market Coupons (indirect)	10.576		CA Dept. of Aging	<u>35,960</u>	OC Community Resources/OC Community Services
Subtotal - Dept. of Agriculture				<u>130,002,855</u>	
Dept. of Education					
English Literacy and Civics Education Grant (direct)	84.002			15,000	OC Community Resources/OC Public Libraries
Individuals with Disabilities Education Act (IDEA) (indirect)	84.027	06-14468-1030-01	Orange County Dept. of Education	11,076,007	Health Care Agency
Agents of Change (indirect)	84.186	SDF03-07	CA Dept. of Alcohol & Drug	49,459	Health Care Agency
Prevention Power (indirect)	84.186	SDF03-08	CA Dept. of Alcohol & Drug	<u>49,188</u>	Health Care Agency
Subtotal 84.186				<u>98,647</u>	
Subtotal - Dept. of Education				<u>11,189,654</u>	

See accompanying Notes to the Schedule of Expenditures of Federal Awards and Supplementary Schedule of Categorical Expenditure Distribution for the Correction Standards Authority and Office of Emergency Services Grant Programs, and the Schedule of Grant Expenditures for Grant Provided by the California Health and Human Services Agency, Department of Aging.

COUNTY OF ORANGE, CALIFORNIA

**Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2008**

Federal Grantor County Program Name Direct or Indirect (1)	Catalog of Federal Domestic Assistance Number (CFDA #)	Pass-Through Entity's Identifying Number (2)	Pass-Through Entity's Name	Disbursements/ Expenditures	Responsible County Department/Agency
Dept. of Health and Human Services					
Title VII B - Elder Abuse Prevention (indirect)	93.041	AP 0708-22	CA Dept. of Aging	\$ 36,145	OC Community Resources/OC Community Services
Title VII A - Ombudsman (indirect)	93.042	AP 0708-22	CA Dept. of Aging	115,852	OC Community Resources/OC Community Services
Title III D - Preventive Health (indirect)	93.043	AP 0708-22	CA Dept. of Aging	146,222	OC Community Resources/OC Community Services
Title III B - Senior Supportive Services (indirect)	93.044	AP 0708-22	CA Dept. of Aging	2,184,445	OC Community Resources/OC Community Services
Title III C1 - Congregate Meals for Seniors (indirect)	93.045	AP 0708-22	CA Dept. of Aging	1,714,783	OC Community Resources/OC Community Services
Title III C2 - Home Delivered Meals for Seniors (indirect)	93.045	AP 0708-22	CA Dept. of Aging	2,174,074	OC Community Resources/OC Community Services
NSIP Title III C1 - Nutrition Services Incentive Program (indirect)	93.053	AP 0708-22	CA Dept. of Aging	320,787	OC Community Resources/OC Community Services
NSIP Title III C2 - Nutrition Services Incentive Program (indirect)	93.053	AP 0708-22	CA Dept. of Aging	695,284	OC Community Resources/OC Community Services
Subtotal 93.044, 93.045 & 93.053 (Aging Cluster)				<u>7,089,373</u>	
National Family Caregiver Support Program (indirect)	93.052	AP 0708-22	CA Dept. of Aging	1,096,214	OC Community Resources/OC Community Services
Pandemic Influenza Emergency Preparedness (indirect)	93.069		CA Dept. of Health Services	539,836	Health Care Agency
Public Health Preparedness & Response to Bioterrorism Grant (indirect)	93.069		CA Dept. of Health Services	2,279,758	Health Care Agency
Subtotal 93.069				<u>2,819,594</u>	
TB Local Assistance (Base Award) (indirect)	93.116		CA Dept. of Health Services	503,052	Health Care Agency
Projects for Assistance in Transition from Homelessness (PATH) Grant (indirect)	93.150	SMX06000 5-06	CA Dept. of Mental Health	440,987	Health Care Agency

See accompanying Notes to the Schedule of Expenditures of Federal Awards and Supplementary Schedule of Categorical Expenditure Distribution for the Correction Standards Authority and Office of Emergency Services Grant Programs, and the Schedule of Grant Expenditures for Grant Provided by the California Health and Human Services Agency, Department of Aging.

COUNTY OF ORANGE, CALIFORNIA

**Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2008**

Federal Grantor County Program Name Direct or Indirect (1)	Catalog of Federal Domestic Assistance Number (CFDA #)	Pass-Through Entity's Identifying Number (2)	Pass-Through Entity's Name	Disbursements/ Expenditures	Responsible County Department/Agency
Dept. of Health and Human Services (Continued)					
Childhood Lead Poisoning Prevention Program (CLPPP) (indirect)	93.197	05-45155	CA Dept. of Health Services	\$ 157,171	Health Care Agency
Family Planning Title X (Basic Contraceptives) (indirect)	93.217	6FPHA092020	CA Family Health Council	110,784	Health Care Agency
Pediatric Immunization (indirect)	93.268	07-65237	CA Dept. of Health Services	424,912	Health Care Agency
Pandemic Influenza Emergency Preparedness (indirect)	93.283		CA Dept. of Health Services	35,789	Health Care Agency
Public Health Preparedness & Response to Bioterrorism Grant (indirect)	93.283		CA Dept. of Health Services	552,795	Health Care Agency
Subtotal 93.283				<u>588,584</u>	
Breast Cancer Early Detection Program (BCEDP) (indirect)	93.394	06-55699	CA Dept. of Health Services	7,776	Health Care Agency
Family Preservation (indirect)	93.556	1946001347 A7	CA Dept. of Social Services	2,309,966	Social Services Agency
Cal Works (Admin) (indirect)	93.558	1946001347 A7	CA Dept. of Social Services	114,072,654	Social Services Agency
Cal Works - CalWIN (indirect)	93.558	1946001347 A7	CA Dept. of Social Services	1,361,546	Social Services Agency
Cal Works (indirect)	93.558	1946001347 A7	CA Dept. of Social Services	<u>92,651,600</u>	Social Services Agency
Subtotal 93.558				<u>208,085,800</u>	
Child Support Enforcement Program (indirect)	93.563	06-059	CA Dept. of Child Support Services	36,352,353	Child Support Services
Support Enforcement Incentive Fund (indirect)	93.563	06-059	CA Dept. of Child Support Services	3,479,429	Child Support Services
AB 1058 Child Support Commissioner Program (indirect)	93.563	1013930	Judicial Council of California Administrative Office of the Courts	1,924,219	CEO
AB 1058 Child Support Facilitator Program (indirect)	93.563	1013984	Judicial Council of California Administrative Office of the Courts	426,121	CEO
Subtotal 93.563				<u>42,182,122</u>	

See accompanying Notes to the Schedule of Expenditures of Federal Awards and Supplementary Schedule of Categorical Expenditure Distribution for the Correction Standards Authority and Office of Emergency Services Grant Programs, and the Schedule of Grant Expenditures for Grant Provided by the California Health and Human Services Agency, Department of Aging.

COUNTY OF ORANGE, CALIFORNIA

**Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2008**

Federal Grantor County Program Name Direct or Indirect (1)	Catalog of Federal Domestic Assistance Number (CFDA #)	Pass-Through Entity's Identifying Number (2)	Pass-Through Entity's Name	Disbursements/ Expenditures	Responsible County Department/Agency
Dept. of Health and Human Services (Continued)					
Refugee Cash Assistance (indirect)	93.566	1946001347 A7	CA Dept. of Social Services	\$ 59,740	Social Services Agency
Refugee Employment Social Services (indirect)	93.566	RESS 0505, RESS 0605, RESS 0705	CA Dept. of Social Services	446,318	Social Services Agency
Welfare Aid to Refugees - CalWIN (indirect)	93.566	1946001347 A7	CA Dept. of Social Services	25,297	Social Services Agency
Welfare Aid to Refugees (indirect)	93.566	1946001347 A7	CA Dept. of Social Services	<u>372,446</u>	Social Services Agency
Subtotal 93.566				<u>903,801</u>	
Refugee Health Assessment Program (indirect)	93.567	06-30-9460-1, 07-30-90840-1	CA Dept. of Health Services	301,427	Health Care Agency
Targeted Assistance (indirect)	93.584	TARL0603, TARL0703	CA Dept. of Social Services	18,753	Social Services Agency
State Access to Visitation Program (indirect)	93.597	1014661	Judicial Council of California Administrative Office of the Courts	154,196	CEO
Child Welfare System Title IVB (indirect)	93.645	1946001347 A7	CA Dept. of Social Services	1,709,037	Social Services Agency
Welfare Aid to Children in Boarding Homes (indirect)	93.658	1946001347 A7	CA Dept. of Social Services	27,570,799	Social Services Agency
Children Welfare System Title IV E (indirect)	93.658	1946001347 A7	CA Dept. of Social Services	34,636,603	Social Services Agency
Children Welfare System Title IV E (indirect)	93.658	1946001347 A7	CA Dept. of Social Services	<u>6,468,130</u>	Probation
Subtotal 93.658				<u>68,675,532</u>	
Adoptions (indirect)	93.659	1946001347 A7	CA Dept. of Social Services	2,953,615	Social Services Agency
Social Services Block Grant (indirect)	93.667	1946001347 A7	CA Dept. of Social Services	377,135	Social Services Agency
Independent Living Skills (indirect)	93.674	1946001347 A7	CA Dept. of Social Services	625,715	Social Services Agency
California Children Services (CCS) Healthy Families (indirect)	93.767		CA Dept. of Health Services	1,785,844	Health Care Agency

See accompanying Notes to the Schedule of Expenditures of Federal Awards and Supplementary Schedule of Categorical Expenditure Distribution for the Correction Standards Authority and Office of Emergency Services Grant Programs, and the Schedule of Grant Expenditures for Grant Provided by the California Health and Human Services Agency, Department of Aging.

COUNTY OF ORANGE, CALIFORNIA

**Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2008**

Federal Grantor County Program Name Direct or Indirect (1)	Catalog of Federal Domestic Assistance Number (CFDA #)	Pass-Through Entity's Identifying Number (2)	Pass-Through Entity's Name	Disbursements/ Expenditures	Responsible County Department/Agency
Dept. of Health and Human Services (Continued)					
California Children Services (CCS) Medi-Cal (indirect)	93.778		CA Dept. of Health Services	\$ 4,363,830	Health Care Agency
Child Health and Disability Prevention (CHDP) Program Title XIX (indirect)	93.778		CA Dept. of Health Services	929,849	Health Care Agency
Children in Foster Care Title XIX - HCPCFC (indirect)	93.778		CA Dept. of Health Services	510,157	Health Care Agency
Children in Foster Care Title XIX - EPSDT (indirect)	93.778		CA Dept. of Health Services	94,549	Health Care Agency
Medi-Cal Administrative Activities (MAA) (indirect)	93.778	04-35071	CA Dept. of Health Services	1,929,782	Health Care Agency
Multipurpose Senior Services Program (indirect)	93.778	MS-0708-18	CA Dept. of Aging	711,877	Social Services Agency
Medi-Cal In Home Supportive Services (indirect)	93.778	1946001347 A7	CA Dept. of Social Services	4,158,350	Social Services Agency
Medi-Cal CalWIN (indirect)	93.778	1946001347 A7	CA Dept. of Social Services	2,149,254	Social Services Agency
Medi-Cal (indirect)	93.778	1946001347 A7	CA Dept. of Social Services	<u>55,033,157</u>	Social Services Agency
Subtotal 93.778				<u>69,880,805</u>	
Health Care Financing Research, Demonstrations and Evaluations (indirect)	93.779	HI 0708-22	CA Dept. of Aging	102,401	OC Community Resources/OC Community Services
Health Resources and Service Administration (HRSA) Grant (indirect)	93.889	01-30-03-ORG	CA Dept. of Health Services	1,784,607	Health Care Agency
Minority Aids Initiative (MAI) (direct)	93.914			234,358	Health Care Agency
Ryan White Part A (direct)	93.914			<u>4,752,072</u>	Health Care Agency
Subtotal 93.914				<u>4,986,430</u>	
Ryan White Part B (indirect)	93.917	06-55764	CA Dept. of Health Services	790,552	Health Care Agency
AIDS Early Intervention Program (indirect)	93.917	07-65069	CA Dept. of Health Services-Office of AIDS	<u>117,200</u>	Health Care Agency
Subtotal 93.917				<u>907,752</u>	
Ryan White Part C (HIV Primary Care) (direct)	93.918			629,531	Health Care Agency

See accompanying Notes to the Schedule of Expenditures of Federal Awards and Supplementary Schedule of Categorical Expenditure Distribution for the Correction Standards Authority and Office of Emergency Services Grant Programs, and the Schedule of Grant Expenditures for Grant Provided by the California Health and Human Services Agency, Department of Aging.

COUNTY OF ORANGE, CALIFORNIA

**Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2008**

Federal Grantor County Program Name Direct or Indirect (1)	Catalog of Federal Domestic Assistance Number (CFDA #)	Pass-Through Entity's Identifying Number (2)	Pass-Through Entity's Name	Disbursements/ Expenditures	Responsible County Department/Agency
Dept. of Health and Human Services (Continued)					
Substance Abuse and Mental Health Services Administration (SAMHSA) (indirect)	93.958	06-B1CACMHS-03	CA Dept. of Mental Health	\$ 2,160,800	Health Care Agency
Alcohol and Drug Program (indirect)	93.959	NNA30	CA Dept. of Alcohol & Drug	18,890,392	Health Care Agency
California Prevention Summit (indirect)	93.959	06-00168	CA Dept. of Alcohol & Drug	<u>60,000</u>	Health Care Agency
Subtotal 93.959				<u>18,950,392</u>	
Adolescent Family Life Program (AFLP) Title V and XIX (indirect)	93.994	2007-30	CA Dept. of Health Services	660,599	Health Care Agency
Maternal and Child Health (MCH) Allocation Title V and XIX (indirect)	93.994	2007-30	CA Dept. of Health Services	<u>347,992</u>	Health Care Agency
Subtotal 93.994				<u>1,008,591</u>	
Subtotal - Dept. of Health and Human Services				<u>444,030,918</u>	
Dept. of Homeland Security					
2006 Urban Areas Security Initiative (indirect)	97.008	2006-0071	CA Office of Homeland Security	37,434	District Attorney
Boating Safety and Enforcement Grant (indirect)	97.012	15.01.06	CA Dept. of Boating and Waterways	85,325	Sheriff-Coroner
Disaster Assistance (direct)	97.036			134,277	OC Waste & Recycling
Public Assistance (direct)	97.036			1,286,429	Sheriff-Coroner
2005 Storms (FEMA) (indirect)	97.036	059-00000	CA Office of Emergency Services	38,250	OC Public Works
Santiago Canyon Fire (FEMA) (indirect)	97.036	059-00000	CA Office of Emergency Services	<u>423,611</u>	OC Public Works
Subtotal 97.036				<u>1,882,567</u>	
Hazard Migration Grant Program (indirect)	97.039	059-00000	CA Office of Emergency Services	2,745,000	OC Public Works
2007 Emergency Management Preparedness Grant (EMPG) (indirect)	97.042	2007-0008	CA Office of Emergency Services	187,955	Sheriff-Coroner
State Homeland Security Grant (indirect)	97.067	2004-0045, 2006-0071, 2007-0008	CA Office of Emergency Services	648,836	Health Care Agency

See accompanying Notes to the Schedule of Expenditures of Federal Awards and Supplementary Schedule of Categorical Expenditure Distribution for the Correction Standards Authority and Office of Emergency Services Grant Programs, and the Schedule of Grant Expenditures for Grant Provided by the California Health and Human Services Agency, Department of Aging.

COUNTY OF ORANGE, CALIFORNIA

**Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2008**

Federal Grantor County Program Name Direct or Indirect (1)	Catalog of Federal Assistance Number (CFDA #)	Pass-Through Entity's Identifying Number (2)	Pass-Through Entity's Name	Disbursements/ Expenditures	Responsible County Department/Agency
Dept. of Homeland Security (Continued)					
2006 Metropolitan Medical Response System (MMRS) (indirect)	97.071	2006-0071	CA Office of Emergency Services	\$ 474,217	Sheriff-Coroner
2007 Metropolitan Medical Response System (MMRS) (indirect)	97.071	2007-0008	CA Office of Emergency Services	29,099	Sheriff-Coroner
Subtotal 97.071				<u>503,316</u>	
Transportation Security Administration - National Explosives Detection Canine Team Program (direct)	97.072			150,500	John Wayne Airport
2005 State Homeland Security Program (SHSP) (indirect)	97.073	2005-0015	CA Office of Emergency Services	1,974,380	Sheriff-Coroner
2006 State Homeland Security Program (SHSP) (indirect)	97.073	2006-0071	CA Office of Emergency Services	2,189,623	Sheriff-Coroner
2006 State Homeland Security Program (SHSP) (indirect)	97.073	2006-0071	CA Office of Emergency Services	13,867	District Attorney
2007 State Homeland Security Program (SHSP) (indirect)	97.073	2007-0008	CA Office of Emergency Services	<u>658,434</u>	Sheriff-Coroner
Subtotal 97.073				<u>4,836,304</u>	
2005 Law Enforcement Terrorism Prevention Plan (LETTP) (indirect)	97.074	2005-0015	CA Office of Emergency Services	451,685	Sheriff-Coroner
2006 Law Enforcement Terrorism Prevention Plan (LETTP) (indirect)	97.074	2006-0071	CA Office of Emergency Services	334,038	Sheriff-Coroner
2007 Law Enforcement Terrorism Prevention Plan (LETTP) (indirect)	97.074	2007-0008	CA Office of Emergency Services	<u>304,811</u>	Sheriff-Coroner
Subtotal 97.074				<u>1,090,534</u>	
2005 Buffer Zone Protection Plan (BZPP) (indirect)	97.078	2005-0015	CA Office of Emergency Services	439,491	Sheriff-Coroner
Disaster Housing Assistance Program Grant (direct)	97.109			59,029	OC Community Resources/OC Community Services

See accompanying Notes to the Schedule of Expenditures of Federal Awards and Supplementary Schedule of Categorical Expenditure Distribution for the Correction Standards Authority and Office of Emergency Services Grant Programs, and the Schedule of Grant Expenditures for Grant Provided by the California Health and Human Services Agency, Department of Aging.

COUNTY OF ORANGE, CALIFORNIA

**Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2008**

Federal Grantor County Program Name Direct or Indirect (1)	Catalog of Federal Domestic Assistance Number (CFDA #)	Pass-Through Entity's Identifying Number (2)	Pass-Through Entity's Name	Disbursements/ Expenditures	Responsible County Department/Agency
Dept. of Homeland Security (Continued)					
Transportation Security Administration - Law Enforcement Officers/Screening Checkpoints (direct)	97.HSTS01-04-A-LEF-087			\$ 237,028	John Wayne Airport
Subtotal - Dept. of Homeland Security				<u>12,903,319</u>	
Dept. of Housing and Urban Development					
Community Development Block Grant (direct)	14.218			8,617,995	OC Community Resources/OC Community Services
Emergency Shelter Grant Program (direct)	14.231			235,100	OC Community Resources/OC Community Services
Shelter Plus Care (direct)	14.238			4,194,097	OC Community Resources/OC Community Services
HOME Investment Partnership Act (direct)	14.239			10,858,708	OC Community Resources/OC Community Services
Housing Opportunities for Persons with AIDS (HOPWA) (indirect)	14.241		City of Santa Ana	757,997	Health Care Agency
Section 8 Housing Choice Vouchers (direct)	14.871			105,128,341	OC Community Resources/OC Community Services
Section 8 New Construction and Substantial Rehabilitation (direct)	14.UNKNOWN			3,136	OC Community Resources/OC Community Services
Disaster Voucher Program (direct)	14.UNKNOWN			43,120	OC Community Resources/OC Community Services
Subtotal 14.UNKNOWN				<u>46,256</u>	
Subtotal - Dept. of Housing and Urban Development				<u>129,838,494</u>	
Dept. of the Interior					
Payments in Lieu of Taxes (PILT) (direct)	15.226			74,162	Auditor-Controller
Federal Forest Reserve Fund (indirect)	15.916	12-5955	CA Dept. of Transportation	17,054	OC Public Works
Subtotal - Dept. of the Interior				<u>91,216</u>	

See accompanying Notes to the Schedule of Expenditures of Federal Awards and Supplementary Schedule of Categorical Expenditure Distribution for the Correction Standards Authority and Office of Emergency Services Grant Programs, and the Schedule of Grant Expenditures for Grant Provided by the California Health and Human Services Agency, Department of Aging.

COUNTY OF ORANGE, CALIFORNIA

**Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2008**

Federal Grantor County Program Name Direct or Indirect (1)	Catalog of Federal Domestic Assistance Number (CFDA #)	Pass-Through Entity's Identifying Number (2)	Pass-Through Entity's Name	Disbursements/ Expenditures	Responsible County Department/Agency
Dept. of Justice					
Juvenile Sex Offender Management (direct)	16.203			\$ 22,339	Probation
Juvenile Accountability Block Grant (JABG) (indirect)	16.523	CSA 144-07	Corrections Standards Authority	99,878	District Attorney
Juvenile Accountability Block Grant (JABG) (indirect)	16.523	CSA 144-07	Corrections Standards Authority	5,133	Probation
Juvenile Accountability Block Grant (JABG) (indirect)	16.523	CSA 144-07	Corrections Standards Authority	<u>25,803</u>	Health Care Agency
Subtotal 16.523				<u>130,814</u>	
Solving Cold Cases with DNA (direct)	16.560			101,285	Sheriff-Coroner
DNA Expansion Demonstration Program (direct)	16.560			31,888	Sheriff-Coroner
2005 DA-BX-K036 Capacity Enhancement Program (direct)	16.560			91,805	Sheriff-Coroner
2006 DN-BX-K179 Capacity Enhancement Program (direct)	16.560			<u>199,647</u>	Sheriff-Coroner
Subtotal 16.560				<u>424,625</u>	
Child Abuse Treatment Services (indirect)	16.575	AT06030300, AT07040300	CA Office of Emergency Services	138,263	Social Services Agency
Victim Witness Assistance Program (indirect)	16.575	VW07260300	CA Office of Emergency Services	529,538	CEO
Gang Victim Services Special Emphasis (indirect)	16.575	SE07170300	CA Office of Emergency Services	<u>110,000</u>	CEO
Subtotal 16.575				<u>777,801</u>	
Advanced Technologies for Law Enforcement Initiative (direct)	16.580			69,415	District Attorney
Residential Substance Abuse Treatment (RSAT) (indirect)	16.593	RT07070300	CA Office of Emergency Services	25,648	Probation
Residential Substance Abuse Treatment (RSAT) (indirect)	16.593	RT07070300	CA Office of Emergency Services	<u>27,999</u>	Health Care Agency
Subtotal 16.593				<u>53,647</u>	

See accompanying Notes to the Schedule of Expenditures of Federal Awards and Supplementary Schedule of Categorical Expenditure Distribution for the Correction Standards Authority and Office of Emergency Services Grant Programs, and the Schedule of Grant Expenditures for Grant Provided by the California Health and Human Services Agency, Department of Aging.

COUNTY OF ORANGE, CALIFORNIA

**Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2008**

Federal Grantor County Program Name Direct or Indirect (1)	Catalog of Federal Domestic Assistance Number (CFDA #)	Pass-Through Entity's Identifying Number (2)	Pass-Through Entity's Name	Disbursements/ Expenditures	Responsible County Department/Agency
Dept. of Justice (Continued)					
Care of Federal Prisoners - U.S. Marshal (direct)	16.602			\$ 4,647	Sheriff-Coroner
State Criminal Alien Assistance Program (SCAAP) (direct) (3)	16.606			2,799,219	Sheriff-Coroner
2007 Bulletproof Vest Partnership (direct)	16.607			80,154	Sheriff-Coroner
2007 Anti-Drug Abuse Enforcement Program (indirect)	16.738	DC 07180300	CA Office of Emergency Services	801,757	Sheriff-Coroner
2007 Anti-Drug Abuse Enforcement Program (indirect)	16.738	DC 07180300	CA Office of Emergency Services	60,450	District Attorney
2007 Edward Byrne Memorial Justice Assistance Grant (JAG) Program (direct)	16.738			111,294	Sheriff-Coroner
2007 Edward Byrne Memorial Justice Assistance Grant (JAG) Program (direct)	16.738			6,983	Probation
2007 Edward Byrne Memorial Justice Assistance Grant (JAG) Program (direct)	16.738			131,850	District Attorney
Subtotal 16.738				<u>1,112,334</u>	
2007 DN-BX-K099 DNA Backlog Reduction Program (direct)	16.741			61,699	Sheriff-Coroner
2005 Coverdell National Forensic Science Improvement Act (indirect)	16.742	CQ05040300	CA Office of Emergency Services	59,504	Sheriff-Coroner
2007 Coverdell National Forensic Science Improvement Act (indirect)	16.742	CQ07050300	CA Office of Emergency Services	62,229	Sheriff-Coroner
Subtotal 16.742				<u>121,733</u>	
Anti-Gang Initiative Strategy (indirect)	16.744	AG-07-01-0300	CA Office of Emergency Services	85,899	District-Attorney
Anti-Gang Initiative Strategy Grant FY 2006-2007 (indirect)	16.744	AG-06-01-7948	CA Office of Emergency Services	2,787	District Attorney
Subtotal 16.744				<u>88,686</u>	

See accompanying Notes to the Schedule of Expenditures of Federal Awards and Supplementary Schedule of Categorical Expenditure Distribution for the Correction Standards Authority and Office of Emergency Services Grant Programs, and the Schedule of Grant Expenditures for Grant Provided by the California Health and Human Services Agency, Department of Aging.

COUNTY OF ORANGE, CALIFORNIA

**Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2008**

Federal Grantor County Program Name Direct or Indirect (1)	Catalog of Federal Domestic Assistance Number (CFDA #)	Pass-Through Entity's Identifying Number (2)	Pass-Through Entity's Name	Disbursements/ Expenditures	Responsible County Department/Agency
Dept. of Justice (Continued)					
DOJ-FBI-OCJTTF - Overtime (direct)	16.UNKNOWN			\$ 69,185	Sheriff-Coroner
High Intensity Drug Trafficking Area (HIDTA) (direct)	16.UNKNOWN			1,020,879	Sheriff-Coroner
Regional Narcotics Suppression Program (RNSP) Forfeitures (direct)	16.UNKNOWN			2,154,381	Sheriff-Coroner
DOJ-FBI-Southern California Regional Sexual Felony Enforcement (SAFE) Team (direct)	16.UNKNOWN			14,289	Sheriff-Coroner
Sheriff's Narcotic Program (SNP) Forfeitures (direct)	16.UNKNOWN			379,883	Sheriff-Coroner
Southwest Border Prosecution Initiative (SWBPI) (direct) (3)	16.UNKNOWN			310,135	Sheriff-Coroner
Southwest Border Prosecution Initiative (SWBPI) (direct) (3)	16.UNKNOWN			408,521	District Attorney
Department of Justice Forfeiture Program (direct)	16.UNKNOWN			<u>203,753</u>	District Attorney
Subtotal 16.UNKNOWN				<u>4,561,026</u>	
Subtotal - Dept. of Justice				<u>10,308,139</u>	
Dept. of Labor					
Title V - Senior Community Services Employment Program (indirect)	17.235	TV-0708-22	CA Dept. of Aging	770,098	OC Community Resources/OC Community Services
Workforce Investment Act Title I Adult (2005) (indirect)	17.258	R692492	CA Employment Development Dept.	105,559	OC Community Resources/OC Community Services
Workforce Investment Act Title I Adult (2006) (indirect)	17.258	R760340	CA Employment Development Dept.	330,950	OC Community Resources/OC Community Services
Workforce Investment Act Title I Adult (2007) (indirect)	17.258	R865476	CA Employment Development Dept.	1,969,637	OC Community Resources/OC Community Services
Workforce Investment Act Title I Youth (2005) (indirect)	17.259	R692492	CA Employment Development Dept.	96	OC Community Resources/OC Community Services

See accompanying Notes to the Schedule of Expenditures of Federal Awards and Supplementary Schedule of Categorical Expenditure Distribution for the Correction Standards Authority and Office of Emergency Services Grant Programs, and the Schedule of Grant Expenditures for Grant Provided by the California Health and Human Services Agency, Department of Aging.

COUNTY OF ORANGE, CALIFORNIA

**Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2008**

Federal Grantor County Program Name Direct or Indirect (1)	Catalog of Federal Domestic Assistance Number (CFDA #)	Pass-Through Entity's Identifying Number (2)	Pass-Through Entity's Name	Disbursements/ Expenditures	Responsible County Department/Agency
Dept. of Labor (Continued)					
Workforce Investment Act Title I Youth (2006) (indirect)	17.259	R760340	CA Employment Development Dept.	\$ 373,791	OC Community Resources/OC Community Services
Workforce Investment Act Title I Youth (2007) (indirect)	17.259	R865476	CA Employment Development Dept.	1,940,806	OC Community Resources/OC Community Services
Workforce Investment Act Title I Dislocated Worker (2005) (indirect)	17.260	R692492	CA Employment Development Dept.	141,909	OC Community Resources/OC Community Services
Workforce Investment Act Title I Dislocated Worker (2006) (indirect)	17.260	R760340	CA Employment Development Dept.	718,233	OC Community Resources/OC Community Services
Workforce Investment Act Title I Dislocated Worker (2007) (indirect)	17.260	R865476	CA Employment Development Dept.	5,146,426	OC Community Resources/OC Community Services
Subtotal 17.258, 17.259, and 17.260 (WIA Cluster)				<u>10,727,407</u>	
DOL - High Growth Job Training (direct)	17.261			627,966	OC Community Resources/OC Community Services
Subtotal - Dept. of Labor				<u>12,125,471</u>	
Dept. of Transportation					
Airport Improvement Programs 0233-30, 32, 34, 35, 36, 37, 38 (direct)	20.106			12,981,152	John Wayne Airport
Transportation Equity Act for the 21st Century (TEA-21) (indirect)	20.205	12-5955	CA Dept. of Transportation	862,205	OC Public Works
Transportation Equity Act for the 21st Century (TEA-21) (indirect) HBP	20.205	12-5955	CA Dept. of Transportation	364,785	OC Public Works
Elevated Roadways Seismic Retrofit (indirect)	20.205	12-5955	CA Dept. of Transportation	401,742	John Wayne Airport
Subtotal 20.205				<u>1,628,732</u>	

See accompanying Notes to the Schedule of Expenditures of Federal Awards and Supplementary Schedule of Categorical Expenditure Distribution for the Correction Standards Authority and Office of Emergency Services Grant Programs, and the Schedule of Grant Expenditures for Grant Provided by the California Health and Human Services Agency, Department of Aging.

COUNTY OF ORANGE, CALIFORNIA

**Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2008**

Federal Grantor County Program Name Direct or Indirect (1)	Catalog of Federal Domestic Assistance Number (CFDA #)	Pass-Through Entity's Identifying Number (2)	Pass-Through Entity's Name	Disbursements/ Expenditures	Responsible County Department/Agency
Dept. of Transportation (Continued)					
DUI Vertical Prosecution Program (indirect)	20.600	AL0667	CA Office of Traffic Safety	\$ 137,670	District Attorney
Expansion of DUI Court Grant (indirect)	20.600	AL0747	CA Office of Traffic Safety	410,010	CEO
DUI Court Expansion Project (indirect)	20.600	1015150	Judicial Council of California Administrative Office of the Courts	144,477	CEO
Real DUI in Schools (indirect)	20.600	1016129	Judicial Council of California Administrative Office of the Courts	8,753	CEO
OTS - Avoid South 10 DUI Campaign (indirect)	20.600	AL0724	CA Office of Traffic Safety	164,391	Sheriff-Coroner
Portable Evidential Breath Test (PEBT) Devices Follow On Program (indirect)	20.600	AL0604	CA Office of Traffic Safety	134,484	Sheriff-Coroner
Subtotal 20.600				<u>999,785</u>	
Subtotal - Dept. of Transportation				<u>15,609,669</u>	
Environmental Protection Agency					
BEACH Act Grant (indirect)	66.472	07-65561	CA Dept. of Health Services	<u>25,000</u>	Health Care Agency
Subtotal - Environmental Protection Agency				<u>25,000</u>	
Institute of Museum and Library Services					
Library Services and Technology Act Staff Education Program (indirect)	45.310	40-6835	California State Library	20,470	OC Community Resources/OC Public Libraries
Library Services and Technology Act Early Learning with Families (indirect)	45.310	40-6913	California State Library	25,000	OC Community Resources/OC Public Libraries
Library Services and Technology Act California of the Past: Pilot Digital Story Station Program Grant (indirect)	45.310	40-6804	California State Library	<u>7,282</u>	OC Community Resources/OC Public Libraries
Subtotal - Institute of Museum and Library Services				<u>52,752</u>	

See accompanying Notes to the Schedule of Expenditures of Federal Awards and Supplementary Schedule of Categorical Expenditure Distribution for the Correction Standards Authority and Office of Emergency Services Grant Programs, and the Schedule of Grant Expenditures for Grant Provided by the California Health and Human Services Agency, Department of Aging.

COUNTY OF ORANGE, CALIFORNIA

**Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2008**

Federal Grantor County Program Name Direct or Indirect (1)	Catalog of Federal Domestic Assistance Number (CFDA #)	Pass-Through Entity's Identifying Number (2)	Pass-Through Entity's Name	Disbursements/ Expenditures	Responsible County Department/Agency
Treasury					
Department of the Treasury Asset Forfeiture Program (direct)	21.UNKNOWN			\$ 8,054	District Attorney
Subtotal - Treasury				<u>8,054</u>	
Grand Total				<u>\$ 766,185,541</u>	

LEGEND:

- (1) Indirect refers to Federal monies passed through various nonfederal agencies, primarily State of California agencies.
- (2) The State of California does not assign a pass-through identification number for certain programs passed to the County. Accordingly, a pass-through identification number is not listed for certain indirect programs.
- (3) The SCAAP and SWBPI programs are formula based and revenue for the year is being reported.

See accompanying Notes to the Schedule of Expenditures of Federal Awards and Supplementary Schedule of Categorical Expenditure Distribution for the Correction Standards Authority and Office of Emergency Services Grant Programs, and the Schedule of Grant Expenditures for Grant Provided by the California Health and Human Services Agency, Department of Aging.

COUNTY OF ORANGE, CALIFORNIA

**Supplementary Schedule of Categorical Expenditure Distribution for the
Correction Standards Authority
and Office of Emergency Services Grant Programs
For The Year Ended June 30, 2008**

Program Name	CFDA#	Grant #		Categorical Expenditure Distribution			
				Personal Services	Operating Expenses	Equipment	Total
Juvenile Accountability Block Grant	16.523	CSA144-07	Federal	\$ 128,731	\$ 2,083	\$ -	\$ 130,814
			Match	14,304	231	-	14,535
				<u>143,035</u>	<u>2,314</u>	<u>-</u>	<u>145,349</u>
Child Abuse Treatment Services (CHAT)	16.575	AT06030300	Federal	-	31,083	-	31,083
			Match	-	7,771	-	7,771
				<u>-</u>	<u>38,854</u>	<u>-</u>	<u>38,854</u>
Child Abuse Treatment Services (CHAT)	16.575	AT07040300	Federal	-	107,180	-	107,180
			Match	-	26,794	-	26,794
				<u>-</u>	<u>133,974</u>	<u>-</u>	<u>133,974</u>
Gang Victim Services - Special Emphasis	16.575	SE07170300	Federal	102,803	7,197	-	110,000
			Match	25,701	1,799	-	27,500
				<u>128,504</u>	<u>8,996</u>	<u>-</u>	<u>137,500</u>
Victim Witness Assistance Program	16.575	VW07260300	Federal	529,538	-	-	529,538
			State	373,825	116,540	-	490,365
			Match	-	-	-	-
	<u>903,363</u>	<u>116,540</u>	<u>-</u>	<u>1,019,903</u>			
Residential Substance Abuse Treatment (RSAT)	16.593	RT07070300	Federal	53,647	-	-	53,647
			Match	17,882	-	-	17,882
				<u>71,529</u>	<u>-</u>	<u>-</u>	<u>71,529</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards and Supplementary Schedule of Categorical Expenditure Distribution for the Correction Standards Authority and Office of Emergency Services Grant Programs, and the Schedule of Grant Expenditures for Grant Provided by the California Health and Human Services Agency, Department of Aging.

COUNTY OF ORANGE, CALIFORNIA

**Supplementary Schedule of Categorical Expenditure Distribution for the
Correction Standards Authority
and Office of Emergency Services Grant Programs
For The Year Ended June 30, 2008**

Program Name	CFDA#	Grant #	Categorical Expenditure Distribution			
			Personal Services	Operating Expenses	Equipment	Total
2005 Coverdell National Forensic Science Improvement Program (1)	16.742	CQ05040300	\$ -	\$ 59,504	\$ -	\$ 59,504
2007 Coverdell National Forensic Science Improvement Program (1)	16.742	CQ07050300	-	62,229	-	62,229
Anti-Gang Initiative Strategy (1)	16.744	AG07010300	85,899	-	-	85,899
Anti-Gang Initiative Strategy Grant FY 2006-2007 (1)	16.744	AG06017948	2,787	-	-	2,787
Anti-Drug Abuse Enforcement Program (1)	16.738	DC07180300	551,214	310,993	-	862,207
Vertical Prosecution Program (2)		VB07050300	762,621	35,758	-	798,379
CAL-MMET Program (2)		MH06010300	165,894	36,446	55,932	258,272
CAL-MMET Program (2)		MH07020300	185,242	19,710	179,035	383,987
			<u>\$ 3,000,088</u>	<u>\$ 825,318</u>	<u>\$ 234,967</u>	<u>\$ 4,060,373</u>

(1) Federal = 100%

(2) State = 100%

See accompanying Notes to Schedule of Expenditures of Federal Awards and Supplementary Schedule of Categorical Expenditure Distribution for the Correction Standards Authority and Office of Emergency Services Grant Programs, and the Schedule of Grant Expenditures for Grant Provided by the California Health and Human Services Agency, Department of Aging.

COUNTY OF ORANGE, CALIFORNIA

**Supplementary Schedule of Grant Expenditures
For Grants Provided by the California Health and Human Services Agency, Department of Aging
For The Year Ended June 30, 2008**

Grantor County Program Name Direct or Indirect	Catalog of Federal Domestic Assistance Number (CFDA #)	Pass-Through Entity's Identifying Number	Grant Award			Expenditures		
			Federal	State	Total	Federal	State	Total
U.S. Department of Agriculture								
Pass-through the California Department of Aging:								
Value of Senior Farmer's Market Coupons (indirect)	10.576	N/A	\$ 35,960	\$ -	\$ 35,960	\$ 35,960	\$ -	\$ 35,960
U.S. Department of Health and Human Services								
Pass-through the California Department of Aging:								
Title VIIB - Elder Abuse Prevention (indirect)	93.041	AP 0708-22	36,145	1,609	37,754	36,145	1,609	37,754
Title VIIA - Ombudsman (indirect)	93.042	AP 0708-22	115,852	23,427	139,279	115,852	23,427	139,279
Title IIID - Preventive Health (indirect)	93.043	AP 0708-22	148,420	6,398	154,818	146,222	6,398	152,620
Title IIIB - Senior Supportive Services (indirect)	93.044	AP 0708-22	2,206,648	421,473	2,628,121	2,184,445	421,473	2,605,918
Title IIIC1 - Congregate Meals for Seniors (indirect)	93.045	AP 0708-22	1,714,783	115,945	1,830,728	1,714,783	115,945	1,830,728
Title IIIC2 - Home Delivered Meals for Seniors (indirect)	93.045	AP 0708-22	2,174,074	123,809	2,297,883	2,174,074	123,809	2,297,883
NSIP Title IIIC1 - Nutrition Services Incentive Program (indirect)	93.053	AP 0708-22	320,787	-	320,787	320,787	-	320,787
NSIP Title IIIC2 - Nutrition Services Incentive Program (indirect)	93.053	AP 0708-22	695,284	-	695,284	695,284	-	695,284
Subtotal 93.044, 93.045 & 93.053 (Aging Cluster)			7,111,576	661,227	7,772,803	7,089,373	661,227	7,750,600
National Family Caregiver Support Program (indirect)	93.052	AP 0708-22	1,117,214	-	1,117,214	1,096,214	-	1,096,214
Multipurpose Senior Services Program (indirect)	93.778	MS-0708-18	678,072	678,072	1,356,144	711,877	711,877	1,423,754
Health Care Financing Research, Demonstrations and Evaluations (indirect)	93.779	HI 0708-22	102,401	413,240	515,641	102,401	413,240	515,641
Total U.S. Department of Health and Human Services			9,309,680	1,783,973	11,093,653	9,298,084	1,817,778	11,115,862
U.S. Department of Labor								
Pass-through the California Department of Aging:								
Title V - Senior Community Services Employment Program (indirect)	17.235	TV-0708-22	770,098	327,411	1,097,509	770,098	271,100	1,041,198
California Health and Human Services Agency, Department of Aging:								
Community Based Service Programs			-	388,865	388,865	-	388,865	388,865
Ombudsman Volunteer Recruitment Initiative			-	95,561	95,561	-	95,561	95,561
Total California Health and Human Services Agency			-	484,426	484,426	-	484,426	484,426
Total			\$ 10,115,738	\$ 2,595,810	\$ 12,711,548	\$ 10,104,142	\$ 2,573,304	\$ 12,677,446

See accompanying Notes to Schedule of Expenditures of Federal Awards and Supplementary Schedule of Categorical Expenditure Distribution for the Correction Standards Authority and Office of Emergency Services Grant Programs, and the Schedule of Grant Expenditures for Grant Provided by the California Health and Human Services Agency, Department of Aging.

COUNTY OF ORANGE, CALIFORNIA

**Notes to Schedule of Expenditures of Federal Awards, Supplementary Schedule
of Categorical Expenditure Distribution for the Correction Standards Authority and
Office of Emergency Services Grant Programs and Schedule of Grant Expenditures For Grants
Provided by the California Health and Human Services Agency, Department of Aging
Year Ended June 30, 2008**

1. GENERAL

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs of the County of Orange, California (County). The County's reporting entity is defined in Note 1 of the notes to the County's basic financial statements. Federal awards received directly from federal agencies as well as federal awards passed through other government agencies, primarily the State of California, are included on the schedule.

2. BASIS OF ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting except for programs recorded in the County's enterprise funds, which are presented using the accrual basis of accounting, which is described in Note 1 to the County's basic financial statements.

3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

Federal award expenditures agree or can be reconciled with the amounts reported in the County's basic financial statements.

4. RELATIONSHIP TO FEDERAL FINANCIAL REPORTS

Amounts reported in the accompanying Schedule of Expenditures of Federal Awards are in material agreement with the amounts reported in the related federal financial reports for the federal award programs.

5. CORRECTION STANDARDS AUTHORITY AND OFFICE OF EMERGENCY SERVICES GRANT PROGRAMS

At the request of the Correction Standards Authority and State of California Office of Emergency Services, the categorical expenditure distribution for their grant programs is included as a supplementary schedule on pages 20 and 21.

6. CALIFORNIA HEALTH AND HUMAN SERVICES AGENCY, DEPARTMENT OF AGING

At the request of the California Health and Human Services Agency, Department of Aging, the schedule of grant expenditures for their grant programs is included as a supplementary schedule on page 22.

COUNTY OF ORANGE, CALIFORNIA

**Notes to Schedule of Expenditures of Federal Awards, Supplementary Schedule
of Categorical Expenditure Distribution for the Correction Standards Authority and
Office of Emergency Services Grant Programs and Schedule of Grant Expenditures For Grants
Provided by the California Health and Human Services Agency, Department of Aging (Continued)
Year Ended June 30, 2008**

7. PASS-THROUGH AWARDS TO SUBRECIPIENTS

Included in the total expenditures of federal awards are the following amounts passed through to subrecipients:

County Program Title	Catalog of Federal Domestic Assistance Number (CFDA #)	Amount Provided to Subrecipients for the Year Ended June 30, 2008
Regional Nutrition Network (5 a Day - Power Play)	10.561	\$ 136,951
Regional Nutrition Network (Latino 5 a Day - Power Play)	10.561	160,147
Regional Nutrition Network (Physical Activity Specialist)	10.561	55,015
Nutrition Network (Seals on Wheels)	10.561	16,914
Community Development Block Grant	14.218	4,441,636
Emergency Shelter Grant Program	14.231	228,531
Housing Opportunities for Persons with AIDS (HOPWA)	14.241	704,937
Section 8 Housing Choice Vouchers	14.871	440,780
Child Abuse Treatment Services	16.575	138,263
Victim Witness Assistance Program	16.575	529,538
Gang Victim Services - Special Emphasis	16.575	110,000
2007 Anti-Drug Enforcement Program (indirect)	16.738	250,543
2007 Edward Byrne Memorial Justice Assistance Program (indirect)	16.738	13,293
RNSP Asset Forfeitures	16.UNKNOWN	1,131,346
Title V – Senior Employment Program	17.235	708,490
WIA - Adult Program	17.258	1,408,015
WIA - Youth Activities	17.259	1,772,234
WIA - Dislocated Worker	17.260	3,511,252
DOL - H-1B High Growth Job Training Grants	17.261	607,761
Individuals with Disabilities Education Act (IDEA)	84.027	4,098,123
Agents of Change	84.186	49,459
Prevention Power	84.186	49,188
Title VIIB – Elder Abuse Prevention	93.041	36,145
Title VIIA – Ombudsman	93.042	115,852
Title IIIB – Senior Supportive Services	93.044	1,941,465

COUNTY OF ORANGE, CALIFORNIA

**Notes to Schedule of Expenditures of Federal Awards, Supplementary Schedule
of Categorical Expenditure Distribution for the Correction Standards Authority and
Office of Emergency Services Grant Programs and Schedule of Grant Expenditures For Grants
Provided by the California Health and Human Services Agency, Department of Aging (Continued)
Year Ended June 30, 2008**

7. PASS-THROUGH AWARDS TO SUBRECIPIENTS, (CONTINUED)

County Program Title	Catalog of Federal Domestic Assistance Number (CFDA #)	Amount Provided to Subrecipients for the Year Ended June 30, 2008
National Family Caregiver Support Program	93.052	\$ 816,409
Title III C1- Congregate Meals for Seniors	93.045	1,465,283
Title IIIC2- Home Delivered Meals for Seniors	93.045	2,040,700
NSIP Title IIIC1 - Nutrition Services Incentive Program	93.053	320,787
NSIP Title IIIC2 - Nutrition Services Incentive Program	93.053	695,284
Projects for Assistance in Transition from Homelessness Grant	93.150	440,987
Pediatric Immunization	93.268	71,795
Refugee Employment Social Services	93.566	398,812
Targeted Assistance	93.584	18,753
Medi-Cal Administrative Activities (MAA) (indirect)	93.778	986,277
Health Care Financing Research, Demonstrations and Evaluations	93.779	93,097
Ryan White Part A	93.914	1,509,892
Minority Aids Initiative (MAI)	93.914	163,697
Ryan White Part B	93.917	550,790
Substance Abuse and Mental Health Services Administration (SAMHSA)	93.958	1,262,828
Alcohol and Drug Program	93.959	8,408,248
Maternal and Child Health (MCH) Allocation Title V (XIX)	93.994	22,452
2006 Metropolitan Medical Response System (MMRS) (Indirect)	97.071	441,678
2005 State Homeland Security Program (SHSP) (indirect)	97.073	247,770
2006 State Homeland Security Program (SHSP) (indirect)	97.073	809,291
2007 State Homeland Security Program (SHSP) (indirect)	97.073	23,438
2006 Law Enforcement Terrorism Prevention Plan (LETTP) (indirect)	97.074	8,054
2007 Law Enforcement Terrorism Prevention Plan (LETTP) (indirect)	97.074	1,357
2005 Buffer Zone Protection Plan (BZPP) (indirect)	97.078	412,229
		\$ 43,865,786

COUNTY OF ORANGE, CALIFORNIA

**Notes to Schedule of Expenditures of Federal Awards, Supplementary Schedule
of Categorical Expenditure Distribution for the Correction Standards Authority and
Office of Emergency Services Grant Programs and Schedule of Grant Expenditures For Grants
Provided by the California Health and Human Services Agency, Department of Aging (Continued)
Year Ended June 30, 2008**

8. OUTSTANDING LOANS OF FEDERAL FUNDS

The following schedule presents the amount of outstanding loans by CFDA number. All loans are provided by the U.S. Department of Housing and Urban Development (HUD) and are included on the accompanying Schedule of Expenditures of Federal Awards:

CFDA No.	Federal Program	Outstanding Loans at June 30, 2008	Prior Year Loans with Continuing Compliance Requirements	New Loans in Fiscal Year Ended June 30, 2008
14.218	Community Development Block Grant	\$ 3,237,954	\$ 3,237,954	\$ -
14.239	HOME Investment Partnership Act	10,653,539	7,513,539	3,140,000

COUNTY OF ORANGE, CALIFORNIA

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2008**

I. SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

Type of auditor's report issued:	<u>Unqualified</u>
Internal control over financial reporting:	
Material weaknesses identified?	<u>No</u>
Significant deficiencies identified not considered to be material weaknesses?	<u>None reported</u>
Noncompliance material to financial statements noted?	<u>No</u>

FEDERAL AWARDS

Internal control over major programs:	
Material weaknesses identified?	<u>No</u>
Significant deficiencies identified not considered to be material weaknesses?	<u>Yes</u>
Type of auditor's report issued on compliance for major programs:	<u>Unqualified</u>
Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a)	<u>Yes</u>
Identification of major programs:	

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
14.218	<u>Community Development Block Grant</u>
20.106	<u>Airport Improvement Program</u>
*93.041, *93.042, *93.043, 93.044, 93.045, *93.052, 93.053	<u>Aging Cluster</u>
93.558	<u>Temporary Assistance for Needy Families</u>
93.959	<u>Alcohol and Drug Program</u>
93.778	<u>Medicaid Cluster</u>
97.067, 97.071, 97.073, 97.074	<u>State Homeland Security Program</u>

Dollar threshold used to distinguish between Type A and Type B programs:	<u>\$ 3,000,000</u>
Auditee qualified as low-risk auditee?	<u>Yes</u>

* Program included in cluster at the request of California Department of Aging

COUNTY OF ORANGE, CALIFORNIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended June 30, 2008

II. FINANCIAL STATEMENT FINDINGS

None reported.

COUNTY OF ORANGE, CALIFORNIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended June 30, 2008

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Finding 2008-01

Program: Homeland Security Grant Program
CFDA Number: 97.067, 97.071, 97.073, 97.074
Federal Grantor: U.S. Department of Homeland Security
Passed-through: State of California
Award Number: Various
Award Year: 2005, 2006, 2007
Compliance Requirement: Subrecipient Monitoring

Criteria:

The *March 2008 OMB Circular A-133 Compliance Supplement* states that a pass-through entity is responsible for “Award Identification – At the time of the award, identifying to the subrecipient the Federal award information (e.g., CFDA title and number, award name, name of Federal agency) and applicable compliance requirements.”

Condition:

It was noted that the agreements between the Sheriff Department and the providers (subrecipients) did not include the CFDA title and number as required by *OMB Circular A-133*.

Questioned Costs:

None

Context:

The condition noted above was identified during our examination of the Sheriff Department’s contracts/agreements with subrecipients.

Effect:

The subrecipient agreements do not specifically identify the CFDA title and number, award name and Federal agency. Accordingly, subrecipients may not be aware that they have received Federal funding, which might require the subrecipient to have a Single Audit performed.

Cause:

The Sheriff Department did not maintain procedures to ensure that the CFDA title and number, award name and Federal agency were identified in the formalized agreements executed with subrecipients.

Recommendation:

We recommend the Sheriff Department enhance its policies and procedures to ensure that information required by *OMB Circular A-133* is included in subrecipient agreements.

COUNTY OF ORANGE, CALIFORNIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended June 30, 2008

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (Continued)

Finding 2008-01 (Continued)

View of Responsible Official and Planned Corrective Actions:

Concur. In collaboration with County Counsel, the Homeland Security Division (HSD) Grants Unit is revising transfer agreement templates to include this information. Additionally, effective March 1, 2009, the HSD Grants Unit has updated its Project Request Form, which documents project and budget approval, in order to include the CFDA title, number, award name, and awarding Federal agency.

Finding 2008-02

Program: Homeland Security Grant Program
CFDA Number: 97.067, 97.071, 97.073, 97.074
Federal Grantor: U.S. Department of Homeland Security
Passed-through: State of California
Award Number: Various
Award Year: 2005, 2006, 2007
Compliance Requirement: Davis-Bacon Act

Criteria:

Per *OMB Circular A-133*, non-federal entities shall include in their construction contracts subject to the Davis-Bacon Act a requirement that the contractor or subcontractor comply with the requirements of the Davis-Bacon Act and the Department of Labor regulations. This includes a requirement for the contractor or subcontractor to submit to the non-federal entity weekly certified payrolls.

Condition:

The Sheriff Department did not obtain certified weekly payrolls from the contractors.

Questioned Costs:

None

Context:

The condition noted above was identified during our testing of the Davis-Bacon requirements of the Sheriff Department's contracts.

Effect:

The Sheriff Department did not obtain the certified weekly payrolls from the contractors; thereby increasing the risk of noncompliance with Davis-Bacon requirements.

COUNTY OF ORANGE, CALIFORNIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended June 30, 2008

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (Continued)

Finding 2008-02 (Continued)

Cause:

The Sheriff Department did not maintain procedures to ensure that certified payrolls were obtained from the contractors.

Recommendation:

We recommend the Sheriff Department implement procedures to obtain and review the certified payrolls.

View of Responsible Official and Planned Corrective Actions:

Concur. The issue of “certified payroll” as a requirement of the Davis-Bacon Act has been discussed and reviewed during the FY 2007-08 Homeland Security audit by the Sheriff’s management with County Counsel, OC Public Works Management, and Auditor-Controller management for County and grants funded capital/construction projects.

At the conclusion of our review and discussion of the Davis-Bacon Act with the various departments, it has been decided that any future federally assisted capital/construction contracts within the Sheriff Department will contain a “certified payroll” clause. The requirement for “certified payroll” will stipulate in the Contract General Conditions where a contractor or sub-contractor shall file a certified copy of the records with the Sheriff Audit Unit within 10 days after issuance of their payroll. The Sheriff’s Audit Unit will review the certified payroll.

Finding 2008-03

Program: Homeland Security Grant Program
CFDA Number: 97.067, 97.071, 97.073, 97.074
Federal Grantor: U.S. Department of Homeland Security
Passed-through: State of California
Award Number: Various
Award Year: 2005, 2006, 2007
Compliance Requirement: Equipment and Real Property Management

Criteria:

Per *OMB Circular A-102*, equipment records must be maintained and contain the description, source, acquisition date, cost, percentage of Federal participation in the cost, location, condition, and any ultimate disposition data.

Condition:

To comply with these elements, the Sheriff Department is in the process of implementing a barcode inventory system. While testing the requirements of Equipment and Real Property Management, it was noted that four items selected had not been subject to the inventory procedures.

COUNTY OF ORANGE, CALIFORNIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended June 30, 2008

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (Continued)

Finding 2008-03 (Continued)

Questioned Costs:

None

Context:

The condition noted above was identified during our testing of the Equipment and Real Property Management requirements.

Effect:

Assets purchased with federal funds were not accounted for properly in accordance with the County's inventory system; thereby, increasing the risk of noncompliance with Equipment and Real Property Management requirements.

Cause:

The Sheriff Department did not consistently follow its procedures to track assets using a barcode inventory system.

Recommendation:

We recommend the Sheriff Department consistently adhere with its inventory procedures for the tracking of federal assets.

View of Responsible Official and Planned Corrective Actions:

Management concurs with the recommendation regarding the consistent application of the HSD Grants Unit's procedures. In consideration of the finding, which relates to systems composed of multiple pieces (e.g., public announcement system), we will revise the existing HSD Grants Unit's procedures to include a process for tracking capital assets.

COUNTY OF ORANGE, CALIFORNIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended June 30, 2008

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (Continued)

Finding 2008-04

Program: Homeland Security Grant Program
CFDA Number: 97.067, 97.071, 97.073, 97.074
Federal Grantor: U.S. Department of Homeland Security
Passed-through: State of California
Award Number: Various
Award Year: 2005, 2006, 2007
Compliance Requirement: Allowable Costs

Criteria:

The Sheriff Department assigns salary and related costs to the Homeland Security Grant by tracking hours incurred with functional timesheets. The functional timesheets are prepared in addition to the County's standard payroll processing procedures. The functional timesheets require supervisor approval of the time incurred by activity/function.

Condition:

It was noted that six timesheets of a sample of twenty selected had not been approved and one additional timesheet could not be located.

Questioned Costs:

Questionable costs of \$44,842, represent payroll of noted exceptions.

Context:

The condition noted above was identified during our testing of the allowable cost requirements.

Effect:

Certain hours resulting in payroll costs charged to the grant did not include evidence of the supervisor approval; thereby, increasing the risk of noncompliance with the allowable cost requirements.

Cause:

The Sheriff Department did not consistently comply with its procedures to sign off on functional timesheets to indicate approval of hours charged to the grant.

Recommendation:

We recommend the Sheriff Department strengthen its procedures to ensure that each functional timesheet is approved and maintained in accordance with its policies.

COUNTY OF ORANGE, CALIFORNIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended June 30, 2008

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (Continued)

Finding 2008-04 (Continued)

View of Responsible Official and Planned Corrective Actions:

Management concurs with the recommendation and will improve and strengthen the existing procedures surrounding functional timesheets.

Finding 2008-05

Program: Homeland Security Grant Program
CFDA Number: 97.067, 97.071, 97.073, 97.074
Federal Grantor: U.S. Department of Homeland Security
Passed-through: State of California
Award Number: Various
Award Year: 2005, 2006, 2007
Compliance Requirement: Reporting

Criteria:

The Schedule of Expenditures of Federal Awards (SEFA) should reflect expenditures incurred during and for the fiscal year ended June 30, 2008.

Condition:

While testing payroll costs reflected in the June 30, 2008 SEFA, we noted that certain costs incurred in FY 2006-2007 were included as current year expenditures.

Questioned Costs:

None

Context:

The condition noted above was identified during our testing of the reconciliation of the SEFA to the County's basic financial statements.

Effect:

Expenditures reported as incurred during and for the year ending June 30, 2008 include prior year expenditures in the SEFA.

Cause:

The Sheriff Department did not ensure that costs incurred as of the fiscal year end, subject to reimbursement in a subsequent period, were reported in the SEFA for the period when incurred.

COUNTY OF ORANGE, CALIFORNIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended June 30, 2008

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (Continued)

Finding 2008-05 (Continued)

Recommendation:

We recommend the Sheriff Department strengthen its procedures to ensure that all federal expenditures are captured in the proper reporting year.

View of Responsible Official and Planned Corrective Actions:

Concur. The HSD Grants Unit is finalizing a formalized procedure for reconciling salaries, including required supporting documentation and timing. The HSD Grants Unit has assigned an individual to review the approval authorization, to reconcile, and report salaries in order to accurately reflect expenses incurred rather than expenses claimed in the future SEFA.

Finding 2008-06

Program: Aging Cluster

CFDA Number: 93.041, 93.042, 93.043, 93.044, 93.045, 93.052, 93.053

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

Passed-through: State of California

Award Number: Various

Award Year: June 30, 2008

Compliance Requirement: Subrecipient Monitoring

Criteria:

The *March OMB Circular A-133 Compliance Supplement* states that a pass-through entity is responsible for “Award Identification – At the time of the award, identifying to the subrecipient the Federal award information (e.g., CFDA title and number, award name, name of Federal agency) and applicable compliance requirements.”

Condition:

It was noted that the agreements between the OC Community Resources (OCCR), Office on Aging and the providers (subrecipients) did not identify the CFDA title and number, award name, and Federal agency as required by *OMB Circular A-133*.

Questioned Costs:

None

Context:

The condition noted above was identified during our examination of OCCR, Office on Aging’s contracts/agreements with subrecipients.

COUNTY OF ORANGE, CALIFORNIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended June 30, 2008

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (Continued)

Finding 2008-06 (Continued)

Effect:

The subrecipient agreements do not specifically identify the CFDA title and number, award name and Federal agency. Accordingly, subrecipients may not be aware that they have received Federal funding, which might require the subrecipient to have a Single Audit performed.

Cause:

OCCR, Office on Aging did not maintain procedures to ensure that the CFDA title and number, award name and Federal agency were identified in the formalized agreements executed with subrecipients.

Recommendation:

We recommend OCCR, Office on Aging enhance its policies and procedures to ensure that information required by *OMB Circular A-133* is included in sub-recipient agreements.

View of Responsible Official and Planned Corrective Actions:

Concur. OCCR, Office on Aging will work with County Counsel to ensure that future subrecipient contracts contain language consistent with OMB Circular A-133, identifying the CFDA title and number, award name and Federal grantor.

Finding 2008-07

Program: Aging Cluster

CFDA Number: 93.041, 93.042, 93.043, 93.044, 93.045, 93.052, 93.053

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

Passed-through: State of California

Award Number: Various

Award Year: June 30, 2008

Compliance Requirement: Allowable Costs

Criteria:

In accordance with County policy, payment vouchers must be approved by authorized personnel. Payments under \$100,000 require a signature approval of one individual. Payments from \$100,001 to \$500,000 require an additional individual's signature approval.

Condition:

Of the 40 items selected, it was noted that one payment voucher in excess of \$100,000 did not have the second approval as required by County policy.

COUNTY OF ORANGE, CALIFORNIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended June 30, 2008

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (Continued)

Finding 2008-07 (Continued)

Questioned Costs:

None

Context:

The condition noted above was identified during our examination of OCCR, Office on Aging's payment vouchers to monitor compliance of the allowable cost provisions.

Effect:

There may be an increased risk of non-compliance with the allowable cost provisions of the Aging cluster.

Cause:

OCCR, Office on Aging did not consistently comply with its procedures to have a second individual sign off on payment vouchers in excess of \$100,000 to indicate the approval of amounts charged to the grant.

Recommendation:

We recommend OCCR, Office on Aging strengthen its procedures to ensure that each payment voucher is consistently approved in accordance with its policies.

View of Responsible Official and Planned Corrective Actions:

Concur. Staff will be reminded to adhere to County's payment approval policy.

COUNTY OF ORANGE, CALIFORNIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended June 30, 2008

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (Continued)

Finding 2008-08

Program: Aging Cluster

CFDA Number: 93.041, 93.042, 93.043, 93.044, 93.045, 93.052, 93.053

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

Passed-through: State of California

Award Number: Various

Award Year: June 30, 2008

Compliance Requirement: Subrecipient Monitoring

Criteria:

The *March 2008 OMB Circular A-133 Compliance Supplement* states that a pass-through entity is responsible for “*Subrecipient Audits* – (1) Ensuring that subrecipients expending \$500,000 or more in Federal awards during the subrecipient’s fiscal year for fiscal years ending after December 31, 2003 as provided in OMB Circular A-133 have met the audit requirements of OMB Circular A-133 and that the required audits are completed within 9 months of the end of the subrecipient’s audit period; (2) issuing a management decision on audit findings within 6 months after receipt of the subrecipient’s audit report; and (3) ensuring that the subrecipient takes timely and appropriate corrective action on all audit findings. In cases of continued inability or unwillingness of a subrecipient to have the required audits, the pass-through entity shall take appropriate action using sanctions.”

Condition:

To comply with these requirements, OCCR, Office on Aging has implemented fiscal monitoring procedures for subrecipients. The fiscal monitoring procedures include the use of an “Audit Resolution Tracking Checklist” to provide evidence of OCCR, Office on Aging’s review. Of the five subrecipient files selected for testing, it was noted that three did not contain evidence of the timely completion of the checklists.

Questioned Costs:

None

Context:

The condition noted above was identified during our examination of OCCR, Office on Aging’s subrecipient fiscal monitoring procedures. OCCR, Office on Aging’s fiscal monitoring procedures consist of annual on-site visits and single audit report collection and review. The single audit review procedures include obtaining and reviewing subrecipient single audit reports and ensuring that corrective action is taken on a timely basis. This information is summarized in each subrecipient’s “Audit Resolution Tracking Checklist” and maintained in the subrecipient monitoring file.

COUNTY OF ORANGE, CALIFORNIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended June 30, 2008

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (Continued)

Finding 2008-08 (Continued)

Effect:

Documentation to evidence that OCCR, Office on Aging obtained and reviewed the subrecipient single audit reports was not completed timely.

Cause:

OCCR, Office on Aging did not consistently follow its procedures to complete the "Audit Resolution Tracking Checklist" for each subrecipient in a timely manner.

Recommendation:

We recommend OCCR, Office on Aging strengthen its procedures to ensure documentation exists that each subrecipient single audit is subjected to OCCR, Office on Aging review in a timely manner.

View of Responsible Official and Planned Corrective Actions:

Concur. To ensure all items on the Audit Resolution Tracking Checklist are completed in a timely manner, a supervisor or manager will review and initial each form. Additionally, the status of each Audit Resolution Tracking Checklist will be reported in monthly status reports to management to identify outstanding items so that follow up action can be completed in a timely manner.

Finding 2008-09

Program: Temporary Assistance for Needy Families

CFDA Number: 93.558

Federal Agency: U.S. Department of Health and Human Services

Passed-through: State of California Department of Social Services

Award Number: 1946001347 A7

Award Year: FY 2007-2008

Compliance Requirement: Allowable Costs and Activities

Criteria:

OMB Circular A-133, Sub-part C, Section 300, Part b, states that the auditee is responsible for "maintaining internal control over Federal programs to provide reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs."

COUNTY OF ORANGE, CALIFORNIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended June 30, 2008

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (Continued)

Finding 2008-09 (Continued)

Criteria: (Continued)

The Orange County Social Services Agency (SSA) is required to submit quarterly County Expense Claims (CEC) for program administrative costs. Time studies are prepared during the mid-month of each quarter to document the allocation of payroll expenditures to programs identified on the CEC, including federally funded programs. Time studies, which serve as the basis for the allocation of costs on the CEC, should be supported by the employee's timecards. Further, the timecards should be prepared by the employee and approved by a supervisor.

Condition:

Of the 40 employee time study transactions selected from the quarterly time study reports for testwork, we noted that the 19 samples tested did not agree to the quarterly time study summary reports. In these 19 instances the employee's total allocable and nonallocable hours per the time study summary report did not agree to the time card. This resulted in an average deviation of five hours per timecard out of the total sample hours of 6,999 to be misclassified.

Questioned Costs:

Questioned costs of \$102 represent the net effect of the hour deviations identified.

Context:

The condition noted above was identified during our examination of SSA's time study and time card process.

Effect:

The deviations in the time studies weaken the control environment and increase the risk of non-compliance.

Cause:

SSA's procedures did not ensure that the review of time cards and time studies was consistently performed.

Recommendation:

We recommend that SSA strengthen its procedures for the review of the quarterly time studies.

View of Responsible Officials and Planned Corrective Actions:

SSA acknowledges and appreciates the observations and recommendations of this audit regarding time study reporting. Time study hours are used as the basis for the distribution of caseworker, support staff, and other costs to the different programs identified in the CEC. Knowing the importance of accurate time study reporting, SSA has taken several steps to ensure that discrepancies between the electronic timecard (VTI) and the individual time studies are eliminated.

COUNTY OF ORANGE, CALIFORNIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

Year Ended June 30, 2008

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (Continued)

Finding 2008-09 (Continued)

View of Responsible Officials and Planned Corrective Actions: (Continued)

In June 2008, Reimbursement Claims Unit staff reviewed approximately 1,600 out of an estimated 2,400 quarterly time studies and compared them to VTI. Although some minor discrepancies were noted, the dollar impact of these discrepancies was very minimal. This review supports the Agency's position that the variance between VTI hours and time study hours is immaterial and does not significantly impact allocation percentages or the dollar amount claimed.

In addition, SSA implemented a new process with the August 2008 quarterly time studies where each employee was required to submit copies of their VTI timesheet along with their manual time study. This process was implemented to ensure that employees and supervisors review the time studies and compare them to VTI prior to submittal to improve accuracy.

Further, the Reimbursement Claims Unit was asked to provide an overview of the time study process to managers in SSA's Family Self Sufficiency Division on September 18, 2008. This presentation explained the purpose of the time study process and stressed the importance of reconciling time study hours to VTI.

Lastly, SSA is currently testing the feasibility of an automated time study process using VTI. Once implemented, manual time studies would be discontinued and we would rely on data downloaded from VTI to report hours for each SSA program. Prior to implementing this automated time study process, we first need to complete testing and ensure that employees are adequately trained.

Finding 2008-10

Program: Temporary Assistance for Needy Families

CFDA Number: 93.558

Federal Agency: U.S. Department of Health and Human Services

Passed-through: State of California Department of Social Services

Award Number: 1946001347 A7

Award Year: FY 2007-2008

Compliance Requirement: Special Tests and Provisions - Income and Eligibility Verification System

Criteria:

The *March 2008 OMB Circular A-133 Compliance Supplement* requires that the County utilize the Income and Eligibility Verification System (IEVS) to verify eligibility using wage information available from such agencies as the agencies administering State unemployment compensation laws, Social Security Administration, and the Internal Revenue Services to verify income eligibility and the amount of eligible benefits. The State of California has used IEVS since 1987 to verify income information received from applicants and recipients.

COUNTY OF ORANGE, CALIFORNIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended June 30, 2008

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (Continued)

Finding 2008-10 (Continued)

Condition:

Case workers are required to utilize the Income Eligibility Verification System (IEVS) to verify the eligibility of individuals to receive benefits. Of the 40 case files selected for testwork, we noted six files did not contain evidence of the IEVS reports.

Questioned Costs:

Questioned costs of \$3,034 represent the benefit payments for the individual transactions sampled with noted exceptions.

Context:

The condition noted above was identified during our examination of the SSA's participant case files of the TANF program.

Effect:

SSA increases its risk of non-compliance with special test and provision requirements set forth in *OMB A-133 Compliance Supplement*.

Cause:

SSA's procedures did not ensure that IEVS reports are consistently present in the case files.

Recommendation:

We recommend that SSA implement procedures to ensure that the IEVS reports are obtained and documented in participant case files.

View of Responsible Officials and Planned Corrective Actions:

SSA continues its efforts and commitment to the accurate and timely processing of IEVS Reports and to reduce the occurrences of missing IEVS Reports.

To make every effort to ensure that the IEVS Reports are obtained and documented in the participant case files, search of the case record including historical folders and the OnBase Imaging database will continue for the six cases noted in the TANF Single Audit as missing IEVS Reports.

SSA appreciates the observations and recommendations of this audit regarding IEVS Reports. The Agency will continue its effort to implement procedures to ensure that the IEVS reports are obtained and documented in participant case files.

COUNTY OF ORANGE, CALIFORNIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended June 30, 2008

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (Continued)

Finding 2008-10 (Continued)

View of Responsible Officials and Planned Corrective Actions: (Continued)

These efforts will include:

- 1) Reminder to CalWORKs staff about the availability of the IEVS Worker Tool Handbook.
- 2) The proper signing and timeframes for processing IEVS Reports.
- 3) The correct filing of the IEVS Reports in the case record.
- 4) An IEVS Management Workgroup meets monthly and includes staff from Program Integrity, Program and Operations from the Administrative, Family Self-Sufficiency, and Adult Services and Assistance Programs divisions. The purpose of the workgroup is to evaluate and revise processes to meet current business needs.
- 5) All future IEVS Reports will be automated, housed, and processed in CalWIN. Training will be developed and is scheduled for early 2009.

Finding 2008-11

Program: Temporary Assistance for Needy Families

CFDA Number: 93.558

Federal Agency: U.S. Department of Health and Human Services

Passed-through: State of California Department of Social Services

Award Number: 1946001347 A7

Award Year: FY 2007-2008

Compliance Requirement: Eligibility

Criteria:

The *March 2008 OMB Circular A-133 Compliance Supplement* requires that the County determine the eligibility of program participants based on several requirements including, but not limited to, the existence of a minor child in the home, "needy" status, and financially eligible. To facilitate the eligibility determination the County utilizes the following:

- 1) A program application, referred to as a SAWS1, which must be signed by the applicant and retained in the participant's file.
- 2) QR-7 reports are submitted by the participant's on a quarterly basis to report any changes in income, housing, or status. These reports are required to be signed by both the participant and the caseworker, and retained in the participant's file.

COUNTY OF ORANGE, CALIFORNIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended June 30, 2008

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (Continued)

Finding 2008-11 (Continued)

Condition:

Of the 40 case files selected for testwork, we noted the following:

- 1) Applicants are required to complete and sign a program application, or SAWS1. We noted one file did not contain the SAWS1.
- 2) Applicants are required to submit a QR-7 report to the SSA on a quarterly basis. The reports are required to be signed by both the applicant and the case worker in order to ensure that any changes in eligibility have been identified. We noted one file did not contain one of the quarterly QR-7 reports.

Questioned Costs:

Questioned costs of \$606 represent the benefit payments for the individual transactions sampled with noted exceptions.

Context:

The condition noted above was identified during our examination of the TANF program participant case files.

Effect:

SSA increases its risk of non-compliance with eligibility requirements set forth in *OMB A-133 Compliance Supplement*.

Cause:

SSA's procedures did not ensure that program applications, statement of facts, and QR-7 reports are consistently present in the case files.

Recommendation:

We recommend that SSA enhance procedures to ensure that the program applications, statement of facts, and QR-7 reports are obtained and documented in participant case files.

View of Responsible Officials and Planned Corrective Actions:

SSA continues its effort and commitment to the accurate and timely processing of CalWORKs cases.

- 1) All efforts will be made to obtain a signed SAWS1 (Program Application) form from the applicant/client for the file noted as missing the SAWS1 form in the TANF Single Audit.
- 2) All efforts will be made to obtain a signed QR 7 Report in order to ensure that any changes in eligibility have been identified for the file noted as missing the quarterly QR 7 Report in the TANF Single Audit.

COUNTY OF ORANGE, CALIFORNIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended June 30, 2008

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (Continued)

Finding 2008-11 (Continued)

View of Responsible Officials and Planned Corrective Actions: (Continued)

SSA will continue to implement procedures to ensure that the program applications, statement of facts, and the QR 7 reports are obtained and documented in the participant case files by the Agency's quality assurance practices including:

- Formal case reviews by supervisory staff of a sample of CalWORKs cases.
- Formal case reviews by Quality Assurance staff of a sample of CalWORKs cases.
- Informal case reviews by supervisory staff on an "as needed" basis according to recipient requests, employee development, or other factors.
- Future Monthly Program meetings with Regional Managers and supervisors will include reminders to address case filing guidelines to ensure that:
 - SAWS1 forms (Program Application) are obtained, documented, and not purged from the working case file.
 - The most recent SAWS2 forms (Statement of Facts) corresponding to the most recent annual reinvestigations are obtained, documented, and not purged from the working case file.
 - The QR 7 forms for up to one full year are obtained, documented, and not purged from the working case file.

Finding 2008-12

Program: Medi-Cal Assistance Program

CFDA Number: 93.778

Federal Agency: U.S. Department of Health and Human Services

Passed-through: State of California Department of Social Services

Award Number: 1946001347 A7

Award Year: FY 2007-2008

Compliance Requirement: Allowable Costs and Activities

Criteria:

The *OMB Circular A-133, Sub-part C, Section 300, Part b*, states that the auditee is responsible for "maintaining internal control over Federal programs that provide reasonable assurance to the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs."

COUNTY OF ORANGE, CALIFORNIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended June 30, 2008

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (Continued)

Finding 2008-12 (Continued)

Criteria: (Continued)

As required by the State of California, SSA is required to submit quarterly County Expense Claims (CEC) for program administrative costs. Time studies are prepared during the mid-month of each quarter to document the allocation of payroll expenditures to programs identified on the CEC, including federally funded programs. Time studies, which serve as the basis for the allocation of costs on the CEC, should be supported by employee's timecards. Further, the timecards should be prepared by the employee and approved by a supervisor.

Condition:

Of the 40 employee time study transactions selected from the quarterly time study reports for testwork, we noted that 14 tested did not agree to the quarterly time study summary reports. In these 14 instances the employee's total allocable and nonallocable hours per the time study summary report did not agree to the time card. This resulted in 31.25 hours out of the total sample hours of 6,888 to be misclassified.

Questioned Costs:

Questioned costs of \$4,268 represent the net effect of the hour deviations identified.

Context:

The condition noted above was identified during our examination of SSA's time study and time card process.

Effect:

The deviations in the time studies weaken the control environment and increase the risk of non-compliance.

Cause:

SSA's procedures did not ensure that the review of time cards and time studies was consistently performed.

Recommendation:

We recommend that SSA strengthen its procedures for the review of the quarterly time studies.

COUNTY OF ORANGE, CALIFORNIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

Year Ended June 30, 2008

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (Continued)

Finding 2008-12 (Continued)

View of Responsible Officials and Planned Corrective Actions:

SSA acknowledges and appreciates the observations and recommendations of this audit regarding time study reporting. Time study hours are used as the basis for the distribution of caseworker, support staff, and other costs to the different programs identified in the CEC. Knowing the importance of accurate time study reporting, SSA has taken several steps to ensure that discrepancies between VTI and the individual time studies are eliminated.

In June 2008, Reimbursement Claims Unit staff reviewed approximately 1,600 out of an estimated 2,400 quarterly time studies and compared them to VTI. Although some minor discrepancies were noted, the dollar impact of these discrepancies was very minimal. This review supports the Agency's position that the variance between VTI hours and time study hours is immaterial and does not significantly impact allocation percentages or the dollar amount claimed.

In addition, SSA implemented a new process with the August 2008 quarterly time studies where each employee was required to submit copies of their VTI timesheet along with their manual time study. This process was implemented to ensure that employees and supervisors review the time studies and compare them to VTI prior to submittal to improve accuracy.

Further, the Reimbursement Claims Unit was asked to provide an overview of the time study process to managers in SSA's Family Self Sufficiency Division on September 18, 2008. This presentation explained the purpose of the time study process and stressed the importance of reconciling time study hours to VTI.

Lastly, SSA is currently testing the feasibility of an automated time study process using VTI. Once implemented, manual time studies would be discontinued and we would rely on data downloaded from VTI to report hours for each SSA program. Prior to implementing this automated time study process, we first need to complete testing and ensure that employees are adequately trained.

Finding 2008-13

Program: Medi-Cal Assistance Program

CFDA Number: 93.778

Federal Agency: U.S. Department of Health and Human Services

Passed-through: State of California Department of Social Services

Award Number: 1946001347 A7

Award Year: FY 2007-2008

Compliance Requirement: Eligibility

Criteria:

The *March 2008 OMB Circular A-133 Compliance Supplement* states that the County must require a written signed application under penalty of perjury and include in each applicant's case records to support the agency's decision on the application.

COUNTY OF ORANGE, CALIFORNIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended June 30, 2008

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (Continued)

Finding 2008-13 (Continued)

Condition:

Case workers are required to utilize the program application and the rights and responsibilities statement to verify the eligibility of individuals to receive Medicaid benefits. The application is required to be signed by the case workers to evidence their review. Of the 40 case files selected for testwork, we noted one file had the MC 210 form present, but it was not signed by the case worker.

Questioned Costs:

None

Context:

The condition noted above was identified during our examination of SSA's participant case files of the Medi-Cal program.

Effect:

SSA increases its risk of non-compliance with eligibility requirements set forth in the *OMB A-133 Compliance Supplement*.

Cause:

SSA's procedures did not ensure that program applications and the statement of rights and responsibilities are consistently reviewed and signed by case workers.

Recommendation:

We recommend that SSA implement procedures to ensure that the program applications and the statement of rights and responsibilities are obtained, documented in participant case files, and reviewed by the case workers.

View of Responsible Officials and Planned Corrective Actions:

SSA will continue its efforts to ensure that signed applications are obtained and maintained in the case records. Eligibility Technicians are instructed in the Intensive In-service Training Class that signed applications are mandatory and this is also practiced during the "case carrying" portion of their training. We believe the lack of signature on one MC 210 was a rare oversight. However, as part of our continuing commitment to meeting this requirement, we have revised our supervisory case review instructions to emphasize reviewing for all required signatures.

COUNTY OF ORANGE, CALIFORNIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

Year Ended June 30, 2008

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (Continued)

Finding 2008-14

Program: Alcohol and Drug Program

CFDA Number: 93.959

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

Passed-through: State of California

Award Number: 07-NNA30

Award Year: FY 2007-2008

Compliance Requirement: Subrecipient Monitoring

Criteria:

The *March OMB Circular A-133 Compliance Supplement* states that a pass-through entity is responsible for “Award Identification – At the time of the award, identifying to the subrecipient the Federal award information (e.g., CFDA title and number, award name, name of Federal agency) and applicable compliance requirements.”

Condition:

Evidence that the CFDA title and number, award name, and name of Federal agency were identified to subrecipients at the time of the award could not be provided by the Health Care Agency (HCA).

Questioned Costs:

None

Context:

The condition noted above was identified during our examination of HCA’s subrecipient monitoring procedures.

Effect:

Evidence that the identification of the CFDA title and number, award name and Federal agency was made to the subrecipients could not be provided. Accordingly, subrecipients may not be aware that they have received Federal funding, which might require the subrecipient to have a Single Audit performed.

Cause:

HCA’s procedures did not ensure that the CFDA title and number, award name and Federal agency were identified at the time of award.

Recommendation:

We recommend HCA enhance its policies and procedures to ensure that information required by *OMB Circular A-133* is identified to subrecipients at the time of award.

COUNTY OF ORANGE, CALIFORNIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

Year Ended June 30, 2008

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (Continued)

Finding 2008-14 (Continued)

View of Responsible Official and Planned Corrective Actions:

Concur. The CFDA title, number, award name and Federal agency information will be provided to subrecipients at the time of award. Current subrecipients will be notified by letter. For future years, subrecipients will be notified when they receive their executed agreements. The requirement will be added to the Agency's Human Service contracting policies and procedures.

COUNTY OF ORANGE, CALIFORNIA

**SUMMARY OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS
Year Ended June 30, 2008**

Finding No.	Program	CFDA No.	Compliance Requirement	Status of Corrective Action
07-01	Temporary Assistance for Needy Families	93.558	Special Tests and Provisions	Partially Implemented - Reinforced existing policies over IEVS documentation maintenance resulting in a reduced number of deviations - See Finding 2008-10
07-02	Temporary Assistance for Needy Families	93.558	Eligibility	Implemented
07-03	Temporary Assistance for Needy Families	93.558	Special Tests and Provisions	Implemented
07-04	Community Development Block Grant	14.218	Subrecipient Monitoring	Implemented
07-05	Alcohol and Drug Program	93.959	Subrecipient Monitoring	Implemented
07-06	State Homeland Security Grant	97.073	Allowable Costs	Partially Implemented - Procedures strengthened during fiscal year - See Finding 2008-04
07-07	State Homeland Security Grant	97.073	Allowable Costs	Implemented
07-08	State Homeland Security Grant	97.073	Davis-Bacon Act	Not Implemented - See Finding 2008-02
07-09	State Homeland Security Grant	97.073	Equipment and Real Property Management	Partially Implemented - Inventory system implemented during fiscal year See Finding 2008-03