

COUNTY OF MENDOCINO
SINGLE AUDIT REPORT
YEAR ENDED JUNE 30, 2018



COUNTY OF MENDOCINO

Single Audit Report
Year Ended June 30, 2018

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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 Mendocino
Ukiah, California

We have audited 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, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the County of Mendocino as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated December 18, 2018. Our report includes a reference to other auditors who audited the financial statements of Mendocino County Employees' Retirement Association (MCERA), a pension trust fund, as described in our report on the County's financial statements. This report does not include the results of other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered County of Mendocino's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of County of Mendocino's internal control. Accordingly, we do not express an opinion on the effectiveness of County of Mendocino's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County of Mendocino's financial statements are free from 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*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Roseville, California
December 18, 2018

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND
REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
IN ACCORDANCE WITH THE UNIFORM GUIDANCE**

Board of Supervisors
County of Mendocino
Ukiah, California

Report on Compliance for Each Major Federal Program

We have audited County of Mendocino's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of County of Mendocino's major federal programs for the year ended June 30, 2018. County of Mendocino's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of County of Mendocino's major federal programs based on our audit of the types of compliance requirements referred to above. 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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 County of Mendocino'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 on compliance for each major federal program. However, our audit does not provide a legal determination of County of Mendocino's compliance.

Opinion on Each Major Federal Program

In our opinion, County of Mendocino complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2018.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items [2018-001 & 2018-002]. Our opinion on each major federal program is not modified with respect to these matters.

County of Mendocino's response to the noncompliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. County of Mendocino's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of County of Mendocino is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered County of Mendocino's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of County of Mendocino's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items [2018-001 & 2018-002] that we consider to be material weaknesses.

County of Mendocino's response to the internal control over compliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. County of Mendocino's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of County of Mendocino as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise County of Mendocino's basic financial statements. We issued our report thereon dated December 18, 2018, which contained unmodified opinions on those financial statements. We did not audit the financial statements of Mendocino County Employees' Retirement Association (MCERA), a pension trust fund. Those statements were audited by other auditors whose reports have been furnished to us, and in our opinion, insofar as it relates to the amounts included for MCERA, are based solely on the reports of other auditors. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



CliftonLarsonAllen LLP

Roseville, California
December 18, 2018

COUNTY OF MENDOCINO

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2018

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Federal Expenditures	Pass-Through to Subrecipients
<u>U.S. Department of Agriculture</u>				
Passed through State Department of Food and Agriculture:				
Plant and Animal Disease, Pest Control, and Animal Care:				
Pierce's Disease Control Program	10.025	16-0363-SF	\$ 10,834	\$ -
Sudden Oak Death	10.025	17-0213-024-SF	1,753	-
European Grapevine Moth Trapping	10.025	16-0657-SF	43,688	-
Light Brown Apple Moth Trapping	10.025	17-0154-0110-SF	742	-
Subtotal CFDA 10.025			<u>57,017</u>	<u>-</u>
Passed through State Department of Social Services:				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program				
Supplemental Nutrition Assistance Program	10.561	--	2,195,305	-
SNAP Ed CDPH-NEOP Branch Admin Costs	10.561	16-10152	231,014	31,643
Subtotal CFDA 10.561			<u>2,426,319</u>	<u>31,643</u>
Passed through State Department of Health Services:				
Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) (Admin Costs)				
	10.557	15-10071	907,518	-
Direct Program				
Schools and Roads - Grants to States	10.665		117,033	-
USDA Forest Service	10.788		4,190	-
Total U.S. Department of Agriculture			<u>\$ 3,512,077</u>	<u>\$ 31,643</u>
<u>U.S. Department of Housing and Urban Development</u>				
Passed through State Department of Housing and Community Development:				
Community Development Block Grants/State's Program	14.228	--	169,346	169,346
Homeless Management Information System	14.267	--	30,201	-
Subtotal CFDA 14.235			<u>199,547</u>	<u>169,346</u>
Total U.S. Department of Housing and Urban Development			<u>\$ 199,547</u>	<u>\$ 169,346</u>
<u>U.S. Department of Interior</u>				
Direct program:				
Federal Grazing Fee	15.000	10-95348	930	-
Total U.S. Department of Interior			<u>\$ 930</u>	<u>\$ -</u>
<u>U.S. Department of Justice</u>				
Direct programs:				
Bullet Proof Vest Reimbursement Program	16.607	--	4,214	-
Organized Crime Drug Enforcement Task Force	16.110	--	1,056	-
Byrne Justice Assistance Grant Program	16.738	--	56,213	-
Subtotal Direct			<u>61,483</u>	<u>-</u>
Passed through California Emergency Management Agency:				
Victim Witness Assistance Program	16.575	VW16350230	280,007	-
Underserved Victim Advocacy and Outreach Program	16.575	XV15010230	218,675	63,487
Subtotal CFDA 16.575			<u>498,682</u>	<u>63,487</u>
Total U.S. Department of Justice			<u>\$ 560,165</u>	<u>\$ 63,487</u>

COUNTY OF MENDOCINO

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2018

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Federal Expenditures	Pass-Through to Subrecipients
<u>U.S. Department of Transportation</u>				
Direct program:				
Airport Improvement Program	20.106	3-06-0121-11	\$ 1,118	\$ -
Airport Improvement Program	20.106	3-06-0121-12	3,082	-
Subtotal CFDA 20.106			<u>4,200</u>	<u>-</u>
Passed through State Department of Transportation:				
Highway Planning and Construction	20.205	BRLSZD 5910(102)	28,540	-
Highway Planning and Construction	20.205	BRLSZD 5910(109)	68,709	-
Highway Planning and Construction	20.205	BRLRT 5910(041)	56,631	-
Highway Planning and Construction	20.205	BHLS 5910(081)	113,334	-
Highway Planning and Construction	20.205	RPSTPLE 5910(089)	74,289	-
Highway Planning and Construction	20.205	BRLO 5910(096)	14,138	-
Highway Planning and Construction	20.205	BRLO 5910(077)	427,935	-
Highway Planning and Construction	20.205	BRLO 5910(076)	32,295	-
Highway Planning and Construction	20.205	BRLO 5910(084)	138,354	-
Highway Planning and Construction	20.205	BRLO 5910(086)	1,807,689	-
Highway Planning and Construction	20.205	BRLO 5910(085)	53,850	-
Highway Planning and Construction	20.205	BRLO 5910(091)	50,972	-
Highway Planning and Construction	20.205	BRLO 5910(093)	186,855	-
Highway Planning and Construction	20.205	BRLO 5910(099)	139,484	-
Highway Planning and Construction	20.205	BRLO 5910(100)	145,046	-
Highway Planning and Construction	20.205	BRLO 5910(106)	205,257	-
Highway Planning and Construction	20.205	BRLO 5910(110)	30,427	-
Highway Planning and Construction	20.205	BRLO 5910(113)	5,378	-
Highway Planning and Construction	20.205	ER3R00(012)PR	41,030	-
Highway Planning and Construction	20.205	ER 32L0(005)PR	139,421	-
Highway Planning and Construction	20.205	ER 32L0(006)PR	10,334	-
Highway Planning and Construction	20.205	ER 32L0(007)PR	55,288	-
Highway Planning and Construction	20.205	ER 32L0(008)PR	5,497	-
Highway Planning and Construction	20.205	ER 32L0(010)EO	8,257	-
Highway Planning and Construction	20.205	ER 32L0(012)EO	24,048	-
Highway Planning and Construction	20.205	ER 32L0(032)PR	502,749	-
Highway Planning and Construction	20.205	ER 32L0(045)PR	4,800	-

COUNTY OF MENDOCINO

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2018**

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Federal Expenditures	Pass-Through to Subrecipients
<u>U.S. Department of Transportation</u> (continued)				
Passed through State Department of Transportation (continued):				
Highway Planning and Construction	20.205	ER 32L0(077)EO	\$ 14,473	\$ -
Highway Planning and Construction	20.205	ER 32L0(078)PR	25,871	-
Highway Planning and Construction	20.205	ER 32L0(029)PR	42,972	-
Highway Planning and Construction	20.205	ER 32L0(028)PR	89,332	-
Highway Planning and Construction	20.205	ER 32L0(027)PR	6,671	-
Highway Planning and Construction	20.205	ER 32L0(075)PR	77,643	-
Highway Planning and Construction	20.205	ER 32L0(026)PR	7,288	-
Highway Planning and Construction	20.205	ER 32L0(076)PR	16,462	-
Subtotal CFDA 20.205			<u>4,651,319</u>	<u>-</u>
Total U.S. Department of Transportation			<u>\$ 4,655,519</u>	<u>\$ -</u>
<u>U.S. Department of Environmental Protection Agency</u>				
Passed through State Air Pollution Control Officers Association:				
Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act	66.034	PM-99T08601	10,000	-
Total U.S. Department of Environmental Protection Agency			<u>\$ 10,000</u>	<u>\$ -</u>
<u>U.S. Department of Health and Human Services</u>				
Direct programs:				
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	5 H79SP0190269-03	228,657	163,154
Immunization Grants	93.268	15-10146	52,204	-
Drug Free Communities Support Program	93.276	5 SP018206-05	144,461	40,894
Subtotal Direct			<u>425,322</u>	<u>204,048</u>
Passed through State Department of Child Support Services:				
Child Support Enforcement	93.563	--	1,684,813	-
Passed through State Department of Social Services:				
Temporary Assistance for Needy Families	93.558	--	5,954,229	-
Guardianship ASSISTANCE (KinGap IV-E Admin)	93.090	--	144,850	-
Foster Care – Title IV-E	93.658	--	8,414,877	-
Passed through State Department of Health Services:				
Foster Care - Title IV-E	93.658	--	2,121,507	-
Subtotal CFDA 93.658			<u>10,536,384</u>	<u>-</u>
Adoption Assistance Program	93.659	--	2,757,131	-
Community Services Block Grant	93.569	--	965,155	-
Promoting Safe and Stable Families	93.556	--	55,380	-
Refugee and Entrant Assistance	93.566	--	2,016	-
Child Welfare Services – State Grants	93.645	--	139,577	-
CWS Title XX	93.667	--	116,776	-
Independent Living Program	93.674	--	58,356	-

COUNTY OF MENDOCINO

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2018

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Federal Expenditures	Pass-Through to Subrecipients
Passed through State Department of Health Care Services:				
Child Health and Disability Prevention Program	93.994	--	\$ 75,428	\$ -
Children in Foster Care Psychotropic Medication Management	93.994	--	20,172	-
Health Care Program for Children in Foster Care	93.994	--	38,364	-
Subtotal CFDA 93.994			133,964	-
Maternal and Child Health Services	93.110	201323-MCAH	226,463	-
Medical Assistance Program - IHSS	93.778	--	1,887,715	-
Medical Assistance Program - DHS Medi-Cal (Federal 50%)	93.778	--	2,407,878	-
Passed through State Department of Alcohol and Drug Abuse Programs:				
Federal Drug Medi-Cal	93.778	NNA-23	23,686	-
Total - Medicaid Cluster			4,319,279	-
Block Grants for Prevention and Treatment of Substance Abuse				
Abuse (SAPT)	93.959	11 NNA-23	895,746	-
Passed through State Department of Public Health:				
Public Health Emergency Preparedness	93.069	14-10518	141,081	38,126
Hospital Preparedness Program	93.889	14-10518	139,104	39,142
Passed through the State Department of Mental Health:				
Projects for Assistance in Transition from Homelessness	93.150	--	18,168	18,168
Substance Abuse Mental Health Services Administration	93.958	--	120,411	106,619
Total Department of Health and Human Services			\$ 28,834,205	\$ 406,103
<u>Federal Emergency Management Agency</u>				
Passed through State Office of Emergency Services:				
Public Assistance Grants	97.036	--	292,946	-
Public Assistance Grants	97.036	--	164,807	-
Total Federal Emergency Management Agency			\$ 457,753	\$ -
Total Expenditures of Federal Awards			\$ 38,230,196	\$ 670,579

COUNTY OF MENDOCINO
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2018

NOTE 1: REPORTING ENTITY

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

NOTE 2: BASIS OF ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards is prepared on a modified accrual basis. The information in this schedule is presented in accordance with the requirements of 2 CFR 1.200, *Audits of States, Local Governments, and Non-Profit Organizations*.

NOTE 3: RELATIONSHIP TO FINANCIAL STATEMENTS

The amounts reported in the accompanying Schedule of Expenditures of Federal Awards agree, in all material respects, to amounts reported within the County's financial statements. Federal award revenues are reported principally in the County's financial statements as intergovernmental revenues in the General and Special Revenue funds.

NOTE 4: INDIRECT COST RATE

The County did not elect to use the 10% de minimis indirect cost rate as covered in 2 CFR §200.414. Uniform Guidance, §200.510(6), requires the County to disclose whether or not it elected to use the 10 percent de minimis cost rate that §200.414(f) allows for nonfederal entities that have never received a negotiated indirect cost rate.

NOTE 5: PASS-THROUGH ENTITIES' IDENTIFYING NUMBER

When federal awards were received from a pass-through entity, the schedule of expenditures of federal awards shows, if available, the identifying number assigned by the pass-through entity. When no identifying number is shown, the County determined that no identifying number is assigned for the program or the County was unable to obtain an identifying number from the pass-through entity.

COUNTY OF MENDOCINO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2018

Section I – Summary of Auditors’ Results

Financial Statements

1. Type of auditors’ report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness(es) identified? _____ yes x no
 - Significant deficiency(ies) identified? _____ yes x none reported
3. Noncompliance material to financial statements noted? _____ yes x no

Federal Awards

1. Internal control over major federal programs:
- Material weakness(es) identified? x yes _____ no
 - Significant deficiency(ies) identified? _____ yes x none reported
2. Type of auditors’ report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? x yes _____ no

Identification of Major Federal Programs

CFDA Number(s)	Name of Federal Program or Cluster
20.205	Highway Planning and Construction
93.658	Foster Care Title IV-E
93.778	Medical Assistance Program

Dollar threshold used to distinguish between Type A and Type B programs:

\$ 1,146,906

Auditee qualified as low-risk auditee? _____ yes x no

COUNTY OF MENDOCINO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2018

Section II – Financial Statement Findings

None noted.

COUNTY OF MENDOCINO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2018

Section III – Findings and Questioned Costs – Major Federal Programs

2018 – 001

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

Federal program title: Foster Care Title IV-E

CFDA Number: 93.658

Pass-Through Agency: California Department of Social Services

Award Period: July 1, 2017 – June 30, 2018

Type of Finding:

- Material Weakness in Internal Control over Compliance – Other Noncompliance

Criteria or specific requirement: The compliance supplement for the program in section E. Eligibility, 1. Eligibility for Individuals part c, notes that “a child must meet the eligibility requirements of the former Aid to Families with Dependent Children (AFDC) program” and that the “verification of eligibility be signed by the person finding eligibility.”

Condition: During eligibility compliance testing. Two casefiles did not contain approved Determination of Federal AFDC-FC Eligibility forms which agreed to the benefit rate provided. Imaged forms were completed but did not agree to the current benefit tested.

Questioned costs: None noted.

Context: CLA randomly selected forty casefiles to test eligibility compliance for Foster Care program. Sample was a statistically valid sample. CLA noted two of the forty casefiles included approved Federal eligibility forms in the County’s imaged files that did not agree to the benefits selected for testing. Findings appear to be isolated instances.

Cause: AFDC forms were not revised and approved when changes to benefits occurred to program participants during the fiscal year.

Effect: The effect could result in differences between the signed and approved Federal Eligibility form and the actual benefits issued by the program participant. The signed and approved form ensures the eligibility form has been reviewed and approved prior to benefits being issued.

Repeat Finding: Repeat finding from prior year, finding 2017-002.

Recommendation: CLA recommends the County review and confirm eligibility documentation is scanned into their imaging software after the forms are approved and signed.

Views of responsible officials: There is no disagreement with the audit finding.

COUNTY OF MENDOCINO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2018

2018 – 002

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

Federal program title: Medical Assistance Program

CFDA Number: 93.778

Pass-Through Agency: California Department of Health Care Services

Award Period: July 1, 2017 – June 30, 2018

Type of Finding:

- Material Weakness in Internal Control over Compliance – Other Noncompliance

Criteria or specific requirement: The compliance supplement notes in section E part 1 that the agency is required to determine client eligibility in accordance with eligibility requirements defined in the approved State plan. Annual redeterminations are required as part of these eligibility requirements.

Condition: During eligibility compliance testing. Nine of forty case files selected documented eligibility redeterminations late or did not document a current eligibility determination during the fiscal year. The renewal packet for one case was never sent, one case had renewal packet sent but was never completed, and once case was completed eight months late.

Questioned costs: None noted.

Context: CLA randomly selected forty casefiles to test eligibility compliance for Medical Assistance program. Sample was a statistically valid sample. CLA noted nine of the forty casefiles were not in compliance as cases did not have current renewals performed or were performed well past the annual due date. The findings noted appeared to be systemic due to the staffing vacancies the Department has been experiencing.

Cause: The cause of the noted finding is related to the current vacancies of eligibility workers at the County. The County noted they currently have significant vacant eligibility staff positions and cannot keep renewals current with the County's Medical Assistance caseload.

Effect: The effect is that participants in the program are not having eligibility renewals completed could be receiving benefits that they may no longer be eligible for.

Repeat Finding: Repeat finding from prior year, finding 2017-003.

Recommendation: CLA recommends that the County focus on casefiles with due and overdue redeterminations to reduce backlog and become current with renewals.

Views of responsible officials: There is no disagreement with the audit finding.