

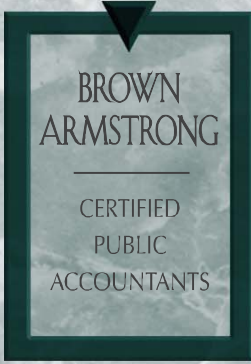
**COUNTY OF SANTA BARBARA, CALIFORNIA**  
**SINGLE AUDIT REPORTS**  
**FOR THE YEAR ENDED JUNE 30, 2011**

**COUNTY OF SANTA BARBARA, CALIFORNIA  
SINGLE AUDIT REPORTS  
FOR THE YEAR ENDED JUNE 30, 2011**

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## REPORTS



BROWN ARMSTRONG
Certified Public Accountants

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

The Honorable Board of Supervisors
of the County of Santa Barbara, California

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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 Santa Barbara, California, (the County) as of and for the year ended June 30, 2011, which collectively comprise the County's basic financial statements and have issued our report thereon dated August 29, 2011. 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 opinion 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 of Santa Barbara's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or 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.

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



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Compliance and Other Matters

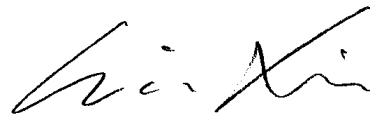
As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, and which are described in the accompanying Schedule of Findings and Questioned Costs as findings 11-01 through 11-07.

We noted certain matters that we reported to management of County of Santa Barbara, California, in a separate letter dated August 29, 2011.

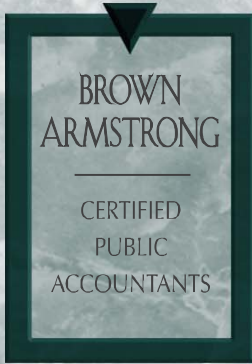
The County's response to the findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. We did not audit the County's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the County Board of Supervisors and management of the County as well as the County's 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.

BROWN ARMSTRONG  
ACCOUNTANCY CORPORATION



Bakersfield, California  
August 29, 2011



BROWN ARMSTRONG
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH
REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL
EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

The Honorable Board of Supervisors
of the County of Santa Barbara, California

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Compliance

We have audited the compliance of the County of Santa Barbara, California, (the County) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011. 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 on the County's compliance with those requirements.

As described in item 11-02 in the accompanying Schedule of Findings and Questioned Costs, the County did not comply, in all instances, with requirements regarding eligibility and allowable costs and activities that are applicable to its Medical Assistance Program (CFDA No. 93.778). Compliance with such requirements is necessary, in our opinion, for the County to comply with the requirements applicable to that program.

As described in item 11-03 in the accompanying Schedule of Findings and Questioned Costs, the County did not comply, in all instances, with requirements regarding special tests and provisions that are applicable to its State Administrative Matching Grants for Food Stamp Program (CFDA No. 10.561). Compliance with such requirements is necessary, in our opinion, for the County to comply with the requirements applicable to that program.



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As described in items 11-04 and 11-05 in the accompanying Schedule of Findings and Questioned Costs, the County did not comply, in all instances, with requirements regarding eligibility and special tests and provisions that are applicable to its Temporary Assistance for Needy Families Cluster (CFDA Nos. 93.558 and 93.714). Compliance with such requirements is necessary, in our opinion, for the County to comply with the requirements applicable to that program.

As described in item 11-07 in the accompanying Schedule of Findings and Questioned Costs, the County did not comply, in all instances, with requirements regarding allowable costs and activities that are applicable to its Adoption Assistance Program (CFDA No. 93.659). Compliance with such requirements is necessary, in our opinion, for the County to comply with the requirements applicable to that program.

As described in items 11-01 and 11-06 in the accompanying Schedule of Findings and Questioned Costs, the County did not comply, in all instances, with requirements regarding eligibility that are applicable to its Foster Care Program – Title IV-E (CFDA No. 93.658). Compliance with such requirements is necessary, in our opinion, for the County to comply with the requirements applicable to that program.

In our opinion, except for the noncompliance described in the six preceding paragraphs, the County complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its other major federal programs for the year ended June 30, 2011.

#### Internal Control Over Compliance

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

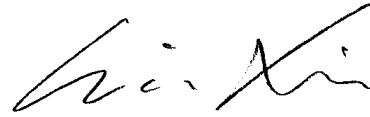
*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement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

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 deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies and which are described in the accompanying Schedule of Findings and Questioned Costs as items 11-01 through 11-07. 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.

The County's response to the findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. We did not audit the County's response and, accordingly, we express no opinion on it.

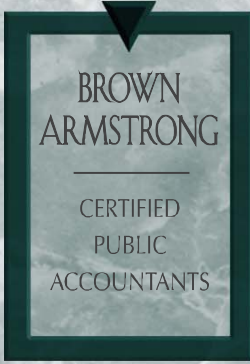
This report is intended solely for the information and use of the County Board of Supervisors and management of the County as well as the County's federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

BROWN ARMSTRONG  
ACCOUNTANCY CORPORATION

A handwritten signature in black ink, appearing to read "G. A. Brown", is positioned below the company name.

Bakersfield, California  
August 29, 2011





BROWN ARMSTRONG
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION -
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

The Honorable Board of Supervisors
of the County of Santa Barbara, 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 Santa Barbara, California, (the County) as of and for the
year ended June 30, 2011, which collectively comprise the County's basic financial
statements, and have issued our report thereon, dated August 29, 2011.

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 is presented for
purposes of additional analysis as required by U.S. Office of Management and
Budget Circular A-133, Audits of States, Local Governments, and Non-Profit
Organizations, and is not a required part of the 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 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 financial statements or to the financial statements
themselves, and other additional procedures in accordance with auditing standards
generally accepted in the United States of America. In our opinion, the information is
fairly stated in all material respects in relation to the financial statements as a whole.

This report is intended solely for the information and use of the County Board of
Supervisors and management of the County as well as the County's 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.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

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Bakersfield, California
August 29, 2011



REGISTERED with the Public Company
Accounting Oversight Board and
MEMBER of the American Institute of
Certified Public Accountants

## **FINANCIAL STATEMENTS**

**COUNTY OF SANTA BARBARA, CALIFORNIA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2011**

<u>Federal grantor/pass-through grantor/program title</u>	<u>Catalog of federal domestic assistance number</u>	<u>Supplemental identifying number</u>	<u>Expenditures</u>
<b>U.S. DEPARTMENT OF AGRICULTURE</b>			
Cooperative Forestry Assistance	10.664	11-LE-11051360-224 A	\$ 34,333
Cooperative Forestry Assistance	10.664	11-LE-11051360-224 B	16,261
Passed through California Fire Safe Council:			
Cooperative Forestry Assistance	10.664	10USFS-ES518	43,969
Passed through California Department of Food and Agriculture:			
Plant and Animal Disease, Pest Control, and Animal Care	10.025	10-0351	115,582
Plant and Animal Disease, Pest Control, and Animal Care	10.025	10-0636	9,600
Plant and Animal Disease, Pest Control, and Animal Care	10.025	10-0744	2,864
ARRA - Wildland Fire Management	10.688	09-0569	15,121
Passed through California Department of Public Health:			
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	08-85469	3,533,296
Passed through California Department of Education:			
School Breakfast Program	10.553	42-10421-4232815-01	115,217
National School Lunch Program	10.555	42-10421-4232815-01	179,371
Passed through California Department of Social Services:			
State Administrative Matching Grants for Food Stamp Program (M-11)	10.561	Santa Barbara	<u>5,965,174</u>
<b>TOTAL U.S. DEPARTMENT OF AGRICULTURE</b>			<u>10,030,788</u>
<b>U.S. DEPARTMENT OF EDUCATION</b>			
Passed through Santa Barbara County Education Office:			
Title I Program for Neglected and Delinquent Children	84.013	Unavailable	91,725
Special Education - Grants to States	84.027	10-14468-1042-01	1,424,086
Passed through Santa Maria Joint Union High School District			
Fighting Back:			
Safe and Drug-Free Schools and Communities - National Programs	84.184	Unavailable	<u>103,000</u>
<b>TOTAL U.S. DEPARTMENT OF EDUCATION</b>			<u>1,618,811</u>
<b>U.S. DEPARTMENT OF ENERGY</b>			
Energy Efficiency and Conservation Block Grant Program	81.128	DE-EE0003796	240,520
Passed through State of California:			
Energy Efficiency and Conservation Block Grant Program	81.128	CBG-09-148	<u>6,098</u>
<b>TOTAL U.S. DEPARTMENT OF ENERGY</b>			<u>246,618</u> (Continued)

Grants that are major programs are noted in the program "title" field by "(M-11)."

See accompanying notes to schedule of expenditures of federal awards and report on compliance with requirements that could have a direct and material effect on each major program and on internal control over compliance in accordance with OMB Circular A-133.

**COUNTY OF SANTA BARBARA, CALIFORNIA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)  
FOR THE YEAR ENDED JUNE 30, 2011**

<u>Federal grantor/pass-through grantor/program title</u>	<u>Catalog of federal domestic assistance number</u>	<u>Supplemental identifying number</u>	<u>Expenditures</u>
U.S. ENVIRONMENTAL PROTECTION AGENCY			
Passed through California Department of Public Health/State Water Resources Control Board:			
Water Quality Management Planning	66.454	10-95322	28,093
Passed through California Department of Health Services:			
Beach Monitoring and Notification Program Implementation Grants	66.472	10-95355	25,000
Beach Monitoring and Notification Program Implementation Grants	66.472	09-11383	<u>22,865</u>
TOTAL U.S. ENVIRONMENTAL PROTECTION AGENCY			<u>75,958</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Consolidated Health Centers (Health Care For the Homeless)	93.224	H80CS00046	483,143
ARRA - Health Center Integrated Services Development Initiative (g1)	93.703	C81CS13532	134,573
ARRA - Health Center Integrated Services Development Initiative (g1)	93.703	H8BCS12328	85,254
Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease	93.918	H76HA00193	355,524
Passed through California Department of Alcohol and Drug Programs:			
Substance Abuse and Mental Health Services - Projects of Regional and National Significance	93.243	1H79TI022513-01	216,008
Substance Abuse and Mental Health Services - Projects of Regional and National Significance	93.243	5H79TI019598-03	533,463
Substance Abuse and Mental Health Services - Projects of Regional and National Significance	93.243	5H79TI019949-03	293,743
Substance Abuse and Mental Health Services - Projects of Regional and National Significance	93.243	1H79TI023287-01	116,820
Substance Abuse and Mental Health Services - Projects of Regional and National Significance	93.243	1H79TI023165-01	107,549
Block Grants for Prevention and Treatment of Substance Abuse	93.959	10-NNA42	1,775,084
Block Grants for Prevention and Treatment of Substance Abuse	93.959	NNA42	642,821
Passed through California Department of Health Services:			
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	Santa Barbara	76,738
Centers for Disease Control and Prevention - Investigation and Technical Assistance	93.283	Santa Barbara	491,590
National Bioterrorism Hospital Preparedness Program	93.889	Santa Barbara	253,611
Passed through California Department of Mental Health:			
Projects for Assistance in Transition from Homelessness (PATH)	93.150	2X06SM060005-10	59,195
Block Grants for Community Mental Health Services	93.958	3B09SM010005-10S1	199,397
			(Continued)

Grants that are major programs are noted in the program "title" field by "(M-11)."

See accompanying notes to schedule of expenditures of federal awards and report on compliance with requirements that could have a direct and material effect on each major program and on internal control over compliance in accordance with OMB Circular A-133.

**COUNTY OF SANTA BARBARA, CALIFORNIA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)  
FOR THE YEAR ENDED JUNE 30, 2011**

Federal grantor/pass-through grantor/program title	Catalog of federal domestic assistance number	Supplemental identifying number	Expenditures
Passed through California Department of Public Health:			
Immunization Grants	93.268	10-95442	37,226
Immunization Grants	93.268	10-95402	161,605
Centers for Disease Control and Prevention - Investigation and Technical Assistance	93.283	10-10258	5,000
Preventative Health and Health Services Block Grant	93.991	08-85157	250,590
Maternal and Child Health Services Block Grant to the States	93.994	201042	920,372
Public Health Emergency Preparedness	93.069	EPO P3-42	88,939
Public Health Emergency Preparedness	93.069	EPO 09-42	295,575
Preventive Health Services - Sexually Transmitted Diseases Control Grants	93.977	09-11149	29,289
Passed through California Department of Public Health - Office of AIDS:			
HIV Care Formula Grants	93.917	MGA 10-95290	302,863
Passed through California Department of Social Services:			
Promoting Safe and Stable Families	93.556	Santa Barbara	264,696
Temporary Assistance for Needy Families (M-11)	93.558	Santa Barbara	31,269,505
ARRA - Emergency Contingency Fund for Temporary Assistance for Needy Families (M-11)	93.714	Santa Barbara	688,214
Refugee and Entrant Assistance - State Administered Programs	93.566	Santa Barbara	838
Child Welfare Services - State Grants	93.645	Santa Barbara	337,450
Foster Care - Title IV-E (M-11)	93.658	Santa Barbara	8,205,976
ARRA - Foster Care - Title IV-E Assistance (M-11)	93.658	Santa Barbara	224,543
Adoption Assistance (M-11)	93.659	Santa Barbara	2,284,751
ARRA - Adoption Assistance (M-11)	93.659	Santa Barbara	163,453
Social Services Block Grant	93.667	Santa Barbara	405,713
Chafee Foster Care Independent Living	93.674	Santa Barbara	122,318
Passed through California Department of Child Support Services:			
Child Support Enforcement (M-11)	93.563	Santa Barbara (County 42)	5,995,648
ARRA - Child Support Enforcement (M-11)	93.563	Santa Barbara (County 42)	232,482
Passed through California Secretary of State:			
Voting Access for Individuals with Disabilities Grants to States and Local Governments	93.617	09G26108	40,707
Voting Access for Individuals with Disabilities Grants to States and Local Governments	93.617	09G26142	3,170
Passed through Central Coast Commission for Senior Citizens:			
Special Programs for the Aging - Title III, Part D - Disease Prevention and Health Promotion Services	93.043	90530A	5,945
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES - EXCLUDE MEDICAID CLUSTER			<u>58,161,381</u>
Passed through California Department of Health Care Services:			
Medical Assistance Program (M-11)	93.778	08-85132	725,769
Passed through California Department of Mental Health:			
Medical Assistance Program (M-11)	93.778	42	3,086,536
Passed through California Department of Social Services:			
Medical Assistance Program (M-11)	93.778	Santa Barbara	15,500,297
ARRA - Medical Assistance Program (M-11)	93.778	Santa Barbara	<u>281,627</u>
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES - MEDICAID CLUSTER			<u>19,594,229</u>

(Continued)

Grants that are major programs are noted in the program "title" field by "(M-11)."

See accompanying notes to schedule of expenditures of federal awards and report on compliance with requirements that could have a direct and material effect on each major program and on internal control over compliance in accordance with OMB Circular A-133.

**COUNTY OF SANTA BARBARA, CALIFORNIA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)  
FOR THE YEAR ENDED JUNE 30, 2011**

<u>Federal grantor/pass-through grantor/program title</u>	<u>Catalog of federal domestic assistance number</u>	<u>Supplemental identifying number</u>	<u>Expenditures</u>
U.S. DEPARTMENT OF HOMELAND SECURITY			
Assistance to Firefighters Grant	97.044	EMW-2009-FO-06986	260,975
Passed through California Emergency Management Agency (CalEMA):			
Hazard Mitigation Grant	97.039	HMP-1810-18-7P,OES #83-00000	39,937
Passed through Governor's Office of Emergency Services:			
Public Assistance (Presidentially Declared Disasters)	97.036	FEMA-1952-DR-CA,OES ID#083-00000	22,028
Emergency Management Performance Grants	97.042	2010-0044, OES #83-00000	224,862
Law Enforcement Terrorism Prevention Program (LETPP)	97.074	2008-0006, OES #083-00000	734,460
Law Enforcement Terrorism Prevention Programs (LETPP)	97.074	2009-0019, OES #083-00000	299,216
Law Enforcement Terrorism Prevention Programs (LETPP)	97.074	2010-0085, OES #083-00000	12,832
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY			1,594,310
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Community Development Block Grants/Entitlement Grants	14.218	B10UC060509	276,565
Community Development Block Grants/Entitlement Grants	14.218	B08UC060509	160,293
Community Development Block Grants/Entitlement Grants	14.218	HPRP S09UY060509	459,119
Community Development Block Grants/Entitlement Grants	14.218	B09UC060509	825,625
ARRA - Community Development Block Grants/Entitlement Grants (CDBG-R)	14.253	ARRA CDBG-R B09UY060509	259,467
Emergency Shelter Grants Program	14.231	S09-UC060509	69,294
Supportive Housing Program	14.235	Esperanza	156,762
Supportive Housing Program	14.235	CA0598B9D030801 HMIS	15,024
Supportive Housing Program	14.235	CA0598B9D030802 HMIS	97,734
Supportive Housing Program	14.235	CA16B0600B9D030801	8,889
Supportive Housing Program	14.235	CA0600B9D030802	17,850
Supportive Housing Program	14.235	CA0595B9D031003	115,315
HOME Investment Partnerships Program	14.239	M09-DC060554	487,003
HOME Investment Partnerships Program	14.239	M06-DC060554	23,552
HOME Investment Partnerships Program	14.239	M07-DC060554	620,251
HOME Investment Partnerships Program	14.239	M08-DC060554	489,006
HOME Investment Partnerships Program	14.239	M05-DC060554	251,410
Passed through California Department of Health Services:			
Housing Opportunities for Persons with AIDS	14.241	10-10144	184,682
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			4,517,841
			(Continued)

Grants that are major programs are noted in the program "title" field by "(M-11)."

See accompanying notes to schedule of expenditures of federal awards and report on compliance with requirements that could have a direct and material effect on each major program and on internal control over compliance in accordance with OMB Circular A-133.

**COUNTY OF SANTA BARBARA, CALIFORNIA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)  
FOR THE YEAR ENDED JUNE 30, 2011**

Federal grantor/pass-through grantor/program title	Catalog of federal assistance number	Supplemental identifying number	Expenditures
<b>U.S. DEPARTMENT OF JUSTICE</b>			
State Criminal Alien Assistance Program	16.606	2008-AP-BX-0076	576,500
Edward Byrne Memorial Justice Assistance Grant Program (M-11)	16.738		246,486
Passed through Bureau of Justice Assistance:			
Bulletproof Vest Partnership Program	16.607	Unavailable	6,248
Passed through California Corrections Standards Authority:			
Juvenile Accountability Incentive Block Grants	16.523	CSA 126-10	35,527
Juvenile Accountability Incentive Block Grants	16.523	CSA 162-09AMYVPT	490
Passed through Governor's Office of Emergency Services:			
Crime Victim Assistance	16.575	EA09 10 0420	15,920
Crime Victim Assistance	16.575	VW10 29 0420	135,751
Community Prosecution and Project Safe Neighborhoods	16.609	US10 03 0420	15,997
Passed through California Emergency Management Agency (CalEMA):			
Violence Against Women Formula Grants	16.588	PU10010420	68,376
Violence Against Women Formula Grants	16.588	Unavailable	22,984
Edward Byrne Memorial Justice Assistance Grant Program (M-11)	16.738	DC10210420	218,164
Program/Grants to Units of Local Government (M-11)	16.804	ZA09010420	106,635
Program/Grants to Units of Local Government (M-11)	16.804	ZO09 01 0420	280,290
ARRA - Edward Byrne Memorial Competitive Grant Program (M-11)	16.808	ZP09010420	245,980
Byrne Formula Grant Program	16.579	SF-08-A-410843	67,430
Passed through Lampoc Police Department:			
Community Prosecution and Project Safe Neighborhoods	16.609	Unavailable	4,389
Passed through Office of Justice Program:			
Edward Byrne Memorial Justice Assistance Grant Program (M-11)	16.738	2010-DJ-BX-0714	125,615
Drug Court Discretionary Grant Program	16.585	2009-DC-BX-0027	93,718
ARRA - Edward Byrne Memorial Competitive Grant Program (M-11)	16.808	2009-SC-B9-0073	529,392
Passed through Santa Barbara Police Department:			
Program/Grants to Units of Local Government (M-11)	16.804	Unavailable	7,229
<b>TOTAL U.S. DEPARTMENT OF JUSTICE</b>			<b>2,803,121</b>
<b>U.S. DEPARTMENT OF LABOR - WIA CLUSTER</b>			
Passed through California Employment Development Department:			
WIA Adult Program (M-11)	17.258	K074163 and K178682	677,108
WIA Adult Workers (M-11)	17.258	K074163 and K178682	152,101
ARRA - WIA Adult Program (M-11)	17.258	K074163	7,579
ARRA - WIA Adult Program (M-11)	17.258	R970559	501,865
WIA Youth Activities (M-11)	17.259	K074163 and K178682	2,132,784
ARRA - WIA Youth Activities (M-11)	17.259	R970559	1,168,930
ARRA - WIA Dislocated Workers (M-11)	17.260	K074163	237,718
WIA Dislocated Workers (M-11)	17.260	K074163 and K178682	139,499
ARRA - WIA Dislocated Workers (M-11)	17.260	R970559	1,076,939
ARRA - WIA National Emergency Grants (M-11)	17.277	R970559	9,871
ARRA - WIA Dislocated Worker Formula Grants (M-11)	17.278	R970559	787,928
Passed through Santa Maria Valley Fighting Back:			
WIA Youth Activities (M-11)	17.259	Unavailable	7,046
<b>TOTAL U.S. DEPARTMENT OF LABOR - WIA CLUSTER</b>			<b>6,899,368</b>

(Continued)

Grants that are major programs are noted in the program "title" field by "(M-11)."

See accompanying notes to schedule of expenditures of federal awards and report on compliance with requirements that could have a direct and material effect on each major program and on internal control over compliance in accordance with OMB Circular A-133.

**COUNTY OF SANTA BARBARA, CALIFORNIA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)  
FOR THE YEAR ENDED JUNE 30, 2011**

<u>Federal grantor/pass-through grantor/program title</u>	<u>Catalog of federal domestic assistance number</u>	<u>Supplemental identifying number</u>	<u>Expenditures</u>
U.S. DEPARTMENT OF THE INTERIOR			
Passed through Minerals Management Service:			
Coastal Impact Assistance Program (CIAP)	15.426	OMB 1010-0170	100,778
Passed through U.S. Fish and Wildlife Service:			
Conservation Grants Private Stewardship for Imperiled Species	15.632	81440-06-J004	7,360
Natural Resource Damage Assessment, Restoration, and Implementation	15.658		95,190
Passed through U.S. Bureau of Reclamation:			
Recreation Resources Management	15.524	R10AC20R41	455,964
Recreation Resources Management	15.524	R10AC20R86	132,339
Recreation Resources Management	15.524	R10AC20560	221,691
Fish and Wildlife Coordination Act	15.517	R10AC20610	30,410
Water Reclamation and Reuse Program	15.504	R10AC20626	251,814
Water Reclamation and Reuse Program	15.504	R10AC20627	26,549
			<u>1,322,095</u>
TOTAL U.S. DEPARTMENT OF THE INTERIOR			
U.S. DEPARTMENT OF TRANSPORTATION			
Passed through State of California Office of Traffic Safety:			
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	AL 1163	56,934
Passed through Caltrans:			
Highway Planning and Construction (M-11)	20.205	05-5951(082)	307,888
Highway Planning and Construction (M-11)	20.205	05-5951/M015	23,075
Highway Planning and Construction (M-11)	20.205	05-5951/122	193,477
Highway Planning and Construction (M-11)	20.205	05-5951/	70,364
Highway Planning and Construction (M-11)	20.205	05-5951(117)	4,754
Highway Planning and Construction (M-11)	20.205	05-5951(115)	310,209
Highway Planning and Construction (M-11)	20.205	05-5951(113)	7,461
Highway Planning and Construction (M-11)	20.205	05-5951/M038	48,739
Highway Planning and Construction (M-11)	20.205	05-5951(090)	102,586
Highway Planning and Construction (M-11)	20.205	05-5951/M039	214
Highway Planning and Construction (M-11)	20.205	05-5951(072)	110,558
Highway Planning and Construction (M-11)	20.205	05-0591/M040-M	5,670
Highway Planning and Construction (M-11)	20.205	05-5951(093)	94,643
Highway Planning and Construction (M-11)	20.205	05-930143	72,551
Highway Planning and Construction (M-11)	20.205	05-5951/M027	284,580
Highway Planning and Construction (M-11)	20.205	SRTSL-5951(121)	1,164
Highway Planning and Construction (M-11)	20.205	05-5951/N054	74,498
Highway Planning and Construction (M-11)	20.205	05-5951/M067	28,280
Highway Planning and Construction (M-11)	20.205	05-5951/M053	143,220
Highway Planning and Construction (M-11)	20.205	05-5951/M048	8,575
Highway Planning and Construction (M-11)	20.205	05-5951/M045	175,264
Highway Planning and Construction (M-11)	20.205	05-5951/M043	1,158

(Continued)

Grants that are major programs are noted in the program "title" field by "(M-11)."

See accompanying notes to schedule of expenditures of federal awards and report on compliance with requirements that could have a direct and material effect on each major program and on internal control over compliance in accordance with OMB Circular A-133.



**COUNTY OF SANTA BARBARA, CALIFORNIA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)  
FOR THE YEAR ENDED JUNE 30, 2011**

<u>Federal grantor/pass-through grantor/program title</u>	<u>Catalog of federal domestic assistance number</u>	<u>Supplemental identifying number</u>	<u>Expenditures</u>
Passed through Caltrans (Continued):			
Highway Planning and Construction (M-11)	20.205	05-5951/M041	19,892
Highway Planning and Construction (M-11)	20.205	STPLZ5951(039)	39,419
Highway Planning and Construction (M-11)	20.205	Unavailable	2,656
ARRA - Highway Planning and Construction (M-11)	20.205	05-930225	42,752
ARRA - Highway Planning and Construction (M-11)	20.205	05-930224	198,755
ARRA - Highway Planning and Construction (M-11)	20.205	05-930220	690,533
Passed through Santa Barbara County Association of Governments:			
Highway Planning and Construction (M-11)	20.205	X09-5951(123)	458,115
Passed through California Office of Traffic Safety:			
State and Community Highway Safety	20.600	AL 0838	117,307
Passed through County of San Diego Probation:			
State and Community Highway Safety	20.600	AL 1186	72,955
State and Community Highway Safety	20.600	AL 0962	13,869
			<u>3,782,115</u>
TOTAL U.S. DEPARTMENT OF TRANSPORTATION			<u>3,782,115</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 110,646,635</u>

Grants that are major programs are noted in the program "title" field by "(M-11)."

See accompanying notes to schedule of expenditures of federal awards and report on compliance with requirements that could have a direct and material effect on each major program and on internal control over compliance in accordance with OMB Circular A-133.

**COUNTY OF SANTA BARBARA, CALIFORNIA  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2011**

**NOTE 1 – GENERAL**

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

**NOTE 2 – BASIS OF ACCOUNTING**

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified-accrual basis of accounting for governmental funds and the accrual basis of accounting for proprietary funds, which is described in Note 1 of the notes to the County's basic financial statements.

**NOTE 3 – RELATIONSHIP TO COMPREHENSIVE ANNUAL FINANCIAL REPORT**

Amounts reported in the accompanying Schedule of Expenditures of Federal Awards agree, in all material respects, to amounts reported within the County's Comprehensive Annual Financial Report.

**NOTE 4 – RELATIONSHIP TO FEDERAL FINANCIAL REPORTS**

Amounts reported in the accompanying Schedule of Expenditures of Federal Awards agree, in all material respects, with the amounts reported in related federal financial reports.

**NOTE 5 – DISCLOSURES FOR STATE GRANT**

Grant revenues and expenditures by category for the fiscal year ended June 30, 2011, are as follows:

***State of California Department of Insurance – Workers' Compensation Insurance Fraud Program***

Revenues:	
State	<u>\$ 290,000</u>
Total revenues	<u><u>\$ 290,000</u></u>
Expenditures:	
Personnel services	<u>\$ 290,000</u>
Total expenditures	<u><u>\$ 290,000</u></u>

## **FINDINGS AND QUESTIONED COSTS**

**COUNTY OF SANTA BARBARA, CALIFORNIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2011**

**1. Summary of Auditor's Results**

***Financial Statements***

- (a) The type of report issued on the financial statements: **Unqualified opinion.**
- (b) Significant deficiencies in internal control that were disclosed by the audit of the financial statements: **None reported.**

Material weaknesses: **None.**

- (c) Noncompliance, which is material to the financial statements: **None.**

***Federal Awards***

- (d) Significant deficiencies in internal control over major programs: **Yes. See items 11-01 through 11-07.**

Material weaknesses: **None.**

- (e) The type of report issued on compliance for major programs:

1. State Administrative Matching Grants for Food Stamp Program – **Qualified opinion**
2. Medicaid Cluster – **Qualified opinion**
3. Temporary Assistance for Needy Families Cluster – **Qualified opinion**
4. Child Support Enforcement Program – **Unqualified opinion**
5. Foster Care Program – **Qualified opinion**
6. Adoption Assistance – **Qualified opinion**
7. Workforce Investment Act (WIA) Cluster – **Unqualified opinion**
8. Edward Byrnes – **Unqualified opinion**
9. Highway Planning and Construction – **Unqualified opinion**

- (f) Any audit findings, which are required to be reported under Section 510(a) of OMB Circular A-133: **Yes. See items 11-01 through 11-07.**

- (g) Major programs:

- U.S. Department of Agriculture
  - State Administrative Matching Grants for Food Stamp Program (CFDA No.10.561)

- U.S. Department of Health and Human Services
  - Medical Assistance Program, including ARRA Grant (CFDA No. 93.778)
  - Temporary Assistance for Needy Families Cluster, including ARRA Grant (CFDA Nos. 93.558 and 93.714)
  - Child Support Enforcement Program, including ARRA Grant (CFDA No. 93.563)
  - Foster Care Program – Title IV-E, including ARRA Grant (CFDA No. 93.658)
  - Adoption Assistance, including ARRA Grant (CFDA No. 93.659)
- U.S. Department of Labor
  - Workforce Investment Act (WIA) Cluster, including ARRA Grant (CFDA Nos. 17.258, 17.259, 17.260, 17.277, 17.278)
- U.S. Department of Justice
  - Edward Byrnes Cluster, including ARRA Grant (CFDA Nos. 16.738 and 16.804)
  - Edward Byrne Memorial Competitive Grant Program, including ARRA Grant (CFDA No. 16.808)
- U.S. Department of Transportation
  - Highway Planning and Construction, including ARRA Grant (CFDA No. 20.205)

Dollar threshold used to distinguish between Type A and Type B programs: **\$3,000,000.**

(h) Low-risk auditee determination under Section 530 of OMB Circular A-133: **No. The County is considered a high-risk auditee.**

**2. Findings Relating to Financial Statements Reported in Accordance with Government Auditing Standards**

None.

**3. Findings and Recommendations Relating to Federal Awards**

**11-01**

**Program:** Foster Care Title IV-E, Including ARRA Grant Funding

**CFDA No.:** 93.658

**Federal Agencies:** U.S. Department of Health and Human Services

**Passed-through:** California Department of Social Services

**Award Numbers:** Santa Barbara

**Award Year:** Fiscal year 2010/11

**Compliance Requirement:** Eligibility

**Questioned Costs:** \$0

**Criteria:**

The *March 2011 OMB Circular A-133 Compliance Supplement* requirements for eligibility state that the pass-through entity must determine whether required eligibility determinations were made, that individual/group program cases were determined to be eligible, and that only eligible individuals or groups of individuals participated in the program, and determine whether federal program awards were made only to eligible cases.

**Condition Found:**

Out of the 60 cases selected for eligibility testwork, we noted the following:

- 6 case files where initiation of a state-level fingerprint check within 10 calendar days after the background check did not occur.
- 3 case files where the cases were missing income support.

**Effect:**

Participants may be ineligible to receive benefits per the AFDC requirements, but may be eligible to receive benefits under another funding source.

**Recommendation:**

We recommend that the County establish formal policies and procedures with regards to ongoing Title IV-E eligibility determination requirements in order to ensure that Title IV-E eligibility determinations are being performed within the specified timeframe. This will help ensure the accuracy of the case data and that Title IV-E eligibility determinations are supported by the proper documentation in the case file.

**Views of Responsible Officials:**

We concur with this finding. The Department of Social Services (DSS) acknowledges six case files whereby initiation of a state-level fingerprint check within 10 calendar days after the background check did not occur, and three case files whereby the cases were missing income support. This additional information has now been included in the case records and no difference in eligibility was determined. As a preventative measure, corrective action will include:

- 1) Development of an AFDC-FC Handbook for Foster Care eligibility staff with inclusion of a licensing home regulation overview.
- 2) Review of the background and fingerprint checks policy with licensing staff.
- 3) Review of Title IV-E requirements, including income support, with AFDC-FC eligibility staff.
- 4) AFDC-FC eligibility supervisor(s) will conduct a 100% review of all AFDC-FC case grantings. Their signed approval will be required.
- 5) AFDC-FC eligibility supervisor(s) will conduct random monthly reviews of a significant sample (25 – 30) of ongoing AFDC-FC cases and will document their approval.
- 6) Re-train AFDC-FC eligibility staff on AFDC-FC case granting and reassessment documentation.
- 7) Program specific training will be provided to AFDC-FC eligibility staff on a monthly basis. AFDC-FC eligibility supervisor(s) will cover program process changes, All County Letter, All County Information Notices, and regulatory changes.

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**11-02**

**Program:** Medicaid Cluster, Including ARRA Grant Funding

**CFDA No.:** 93.778

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

**Passed-through:** California Department of Health Care Services

**Award Numbers:** Various

**Award Year:** Fiscal year 2010/11

**Compliance Requirement:** Eligibility

**Questioned Costs:** \$0

**Criteria:**

The *March 2011 OMB Circular A-133 Compliance Supplement* requirements for eligibility state that the pass-through entity must determine whether required eligibility determinations were made, that individual/group program participants were determined to be eligible, and that only eligible individuals or groups of individuals participated in the program, and determine whether federal program awards were made only to eligible participants.

**Condition Found:**

Specific requirements must be followed to ensure that the individual meets the financial and categorical requirements, which includes the following:

- Obtaining a written application, MC 210 “Statement of Facts,” signed under penalty of perjury by the applicant.
- Verification of an applicant’s information reported on the MC 210 “Statement of Facts,” including identity, social security number, residency, monthly expenses, as well as pregnancy, if necessary.
- Verification of an applicant’s income eligibility using the Income and Eligibility Verification System (IEVS). Verification of the applicant’s income by obtaining a pay stub if the applicant is employed.
- Verification of an applicant’s supplemental social security income (SSI) eligibility by obtaining a Medi-Cal Eligibility Data System (MEDS) report, if the applicant is applying for the Qualified Medicare Beneficiary (QMB) program.
- Verification of an applicant and recipient’s social security number (SSN) to ensure that each SSN furnished was issued to that individual.
- Verification of an applicant’s qualified alien status by obtaining an MC 13 if the applicant is not a U.S. citizen.
- Verification of the eligibility of Medicaid recipients with respect to circumstances that may change, at least every 12 months.

Out of the 60 case files selected for eligibility testwork, we noted the following:

- 5 case files whereby the County did not use the IEVS in a timely manner to verify income and property documentation.
- 6 case files whereby the eligibility information provided by the client did not match the information entered into the system.
- 5 case files whereby the County failed to timely process the client’s reapplication form to redetermine eligibility.

Out of the 60 case files selected for IHSS eligibility testwork, we noted the following

- 25 case files whereby the County failed to perform a client reassessment of needs within the 12 month renewal period.

**Effect:**

Participant data may not be accurate in the participant file or the system, which could lead to initial and continual eligibility errors, inaccurate benefit calculations, and benefit overpayments.

**Recommendation:**

We recommend that the County establish formal policies and procedures with regards to initial and ongoing eligibility determination, required documentation, and maintenance of participant file and ensure that such policies and procedures are formally documented and strictly adhered to by County personnel. This will help ensure the accuracy of the participant data and that eligibility determinations are supported by the proper documentation in the participant file.

**Views of Responsible Officials:**

We concur with this finding. The DSS acknowledges that the IEVS report was not run timely to verify income and property documentation on five out of 60 case files. For these five cases, IEVS was subsequently processed, resulting in no change in eligibility.

The DSS has longstanding policies and procedures with regards to IEVS processing and Administrative Directive (AD) 06-22 clearly outlines the requirements. To ensure IEVS reports are requested and used timely written instructions (specifically, AD 06-22) will be reviewed with supervisors during an upcoming Medi-Cal TEAM meeting. Eligibility Supervisors will be asked to review this AD with their staff and will be required to provide verification of this review. As a follow-up reminder, a Medi-Cal program bulletin article will be published in February 2012 to remind all eligibility staff of this critical requirement during the application process. Additionally, the Compliance Division Quality Assurance staff will conduct a review focusing on IEVS ensure the IEVS applicant report is requested and used timely at application and at redetermination.

The DSS acknowledges six cases whereby the eligibility information provided by the client did not match the information entered into the system. Accurate CalWIN data entries are essential to the program and staff is trained extensively on this critical element of eligibility. The importance of accuracy is continuously stressed. The DSS utilizes supervisory case reviews to ensure the integrity of eligibility determinations and to ensure correct amounts are entered into the CalWIN system. Supervisors, during their case reviews, will focus on the information provided by the client and the accuracy of this information being entered into the CalWIN system. Additionally, the Compliance Division Quality Assurance unit will collect and conduct an analysis of the supervisor reviews. The results will be compiled into a report that will be disseminated to program managers, Department Business Specialist, line supervisors and line staff. As a follow up, program bulletin reminders will be published reminding all eligibility staff of the DSS' requirement directing staff to accurately document, in CalWIN every time a change is reported affecting eligibility and/or benefit amount (per Admin AD 06-04 Case Comments).

The DSS recognizes the importance of processing redeterminations in a timely manner and has implemented several enhancements to the Task Management Tool (TMT) used by eligibility staff to assist in the tracking of redeterminations that are due. Medi-Cal AD 07-08 provides clear written direction and policy for staff requiring timely redeterminations. The DSS acknowledges that five redeterminations were not completed within the mandated programmatic time frames. The appropriate manager has designated specific eligibility staff to focus on the timely process of redeterminations. As part of the corrective action plan for this finding, the timely processing of Medi-Cal renewals will be reported to management on a monthly basis to ensure this performance continues to improve. The importance of timely processing redeterminations will be discussed with the supervisors and staff in an upcoming meeting.

The DSS remains committed to maximizing existing resources to meet our mandated timelines while maintaining an emphasis on customer service. In November 2010, the DSS embarked on a one year cross training plan to increase the ability of existing staff to adapt to increasing Medi-Cal and CalFresh program demands. While we hoped to have everyone cross trained by November 2011, staffing issues have delayed our timeline. We remain committed to this endeavor, and anticipate this ambitious training initiative will be completed by June 2012.

## **IHSS**

We concur with this finding. The DSS recognizes the importance of processing reassessments in a timely manner. Despite the untimely processing, no recipient was found ineligible to IHSS once the paperwork process was completed. This program continues to be faced with significant funding challenges. Additionally, a number of significant program changes continue to impact the IHSS workload. Despite the increased workload, the remaining social workers have accepted responsibility for ensuring these vulnerable adults remaining safely in their homes while the integrity of the program is maintained.

Santa Barbara County is committed to improving our compliance rate on overdue reassessments to the degree possible in the face of recent and upcoming program changes that will substantially impact the social workers' workload. The program manager, Department Business Specialist, and program supervisors meet monthly to monitor this situation. We will continue to work with staff to improve processing time on reassessments by looking for efficiencies and best practices to be shared with staff.



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### **11-03**

**Program:** State Administrative Matching Grants for Food Stamp Program

**CFDA No.:** 10.561

**Federal Agency:** U.S. Department of Agriculture

**Passed-through:** California Department of Social Services

**Award No.:** Santa Barbara

**Award Year:** Fiscal year 2010/11

**Compliance Requirement:** Special Tests and Provisions – ADP System for Food Stamps

**Questioned Costs:** \$273

#### **Criteria:**

The *March 2011 OMB Circular A-133 Compliance Supplement* requirements for special tests and provisions requires that the County (1) accurately and completely process and store all case file information for eligibility determination and benefit calculation; (2) automatically cut off households at the end of their certification period unless recertified; and (3) provide data necessary to meet federal issuance and reconciliation reporting requirements. In addition, the *March 2011 OMB Circular A-133 Compliance Supplement* requirements for eligibility state that the pass-through entity must determine whether required eligibility determinations were made, that individual/group program participants were determined to be eligible, and that only eligible individuals or groups of individuals participated in the program, and determine whether federal program awards were made only to eligible participants.

#### **Condition Found:**

Out of 60 case files selected for testing, we noted:

- 9 case files whereby the County inaccurately entered the participant's income into the CalWin System.

#### **Effect:**

Participants may be receiving incorrect benefit amounts.

#### **Recommendation:**

We recommend that the County establish formal policies and procedures with regards to initial and ongoing eligibility determination, required documentation, and maintenance of participant files and ensure that such policies and procedures are formally documented and strictly adhered to by County personnel. We recommend that the County require the determination and calculation be reviewed, on a sample basis, by other County personnel. This will help ensure the accuracy of the participant data and that eligibility determinations are supported by the proper documentation in the participant file.

#### **Views of Responsible Officials:**

We concur with this finding. Accurate CalWIN data entries are essential to the program and staff is trained extensively on this critical element of eligibility. The importance of accuracy is continuously stressed. Administrative Directive (AD) 09-102 Case Review Policy Multiple Programs CalWORKs, CalFresh (Food Stamps) and Medi-Cal was revised on October 6, 2010, to reflect the importance of this process. Staff will be reminded of this existing policy.

Collection of any benefit overissuance has been initiated through the Department of Social Services' (DSS) established collection process.

The DSS utilizes supervisory case reviews to ensure the integrity of eligibility determinations and to ensure correct amounts are entered into the CalWIN system. Supervisors, during their case reviews, will focus on the information provided by the client and the accuracy of this information being entered into the CalWIN system. Additionally, the Compliance Division Quality Assurance unit will collect and conduct an analysis of the supervisor reviews. The results will be compiled into a report that will be disseminated to program managers, Department Business Specialist, line supervisors and line staff. As a follow up, program bulletin reminders will be published reminding all eligibility staff of the DSS' requirement directing staff to accurately document, in CalWIN every time a change is reported affecting eligibility and/or benefit amount.

The DSS remains committed to maximizing existing resources to meet our mandated timelines while maintaining an emphasis on customer service. In November 2010, the DSS embarked on a one year cross training plan to increase the ability of existing staff to adapt to increasing Medi-Cal and CalFresh program demands. While we hoped to have everyone cross trained by November 2011, staffing issues have delayed our timeline. We remain committed to this endeavor, and anticipate this ambitious training initiative will be completed by June 2012.

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#### **11-04**

**Program:** Temporary Assistance for Needy Families Cluster, Including ARRA Grant Funding

**CFDA Nos.:** 93.558 and 93.714

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

**Passed-through:** California Department of Social Services

**Award Number:** Santa Barbara

**Award Year:** Fiscal year 2010/11

**Compliance Requirement:** Eligibility

**Questioned Costs:** \$128

#### **Criteria:**

The *March 2011 OMB Circular A-133 Compliance Supplement* requirements for eligibility state that the pass-through entity must determine whether required eligibility determinations were made, that individual/group program participants were determined to be eligible, and that only eligible individuals or groups of individuals participated in the program, and determine whether federal program awards were made only to eligible participants.

#### **Condition Found:**

Out of the 60 case files selected for eligibility testing, we noted:

- 3 case files whereby the County inaccurately entered the participant's income into the CalWin System.

#### **Effect:**

Participants may be receiving incorrect benefit amounts.

#### **Recommendation:**

We recommend that the County strictly adhere to the established policies and procedures with regards to ongoing eligibility determination, required documentation, and maintenance of the participant's file. This will help ensure the accuracy of the participant's data and that eligibility determinations are supported by the proper documentation in the participant file.

**Views of Responsible Officials:**

We concur with this finding. The DSS acknowledges three instances whereby the County inaccurately entered the participant's income in the CalWIN System. Accurate CalWIN data entries are essential to the program and staff is trained extensively on this critical element of eligibility. The DSS has existing policies and procedures in place with regards to accurate eligibility determinations, required documentation, and maintenance of the participant's files.

The DSS utilizes supervisory case reviews to ensure the integrity of the eligibility determinations and to ensure the correct amounts are entered into the CalWIN system. Supervisors, during their case reviews, will focus on the information provided by the client and the accuracy of this information being entered into the CalWIN system. Additionally the Compliance Division Quality Assurance unit will collect the supervisor reviews and conduct an analysis of the reviews. The results will be compiled into a report that will be disseminated to program managers, Department Business Specialist, line supervisors and line staff. Administrative Directive (AD) 09-102 Case Review Policy Multiple Programs CalWORKs, CalFresh (Food Stamps) and Medi-Cal was revised on October 6, 2010, to reflect additional changes. Staff will be reminded of this existing policy. As a result of this finding, case reviews will include reviewing intake cases with income and income QR7s for correct entries into CalWIN. The supervisors will continue to conduct case reviews as outlined in AD 09-102 Case Review Policy Multiple Programs.

The findings and corrective action plan will be reviewed with supervisory staff by the DBS, with expectation that the supervisors provide unit training/review of the applicable policies and procedures. The current case review policy will be reviewed with supervisors at our next countywide CalWORKs Team Meeting.

Collection of any benefit overpayments has been initiated through the DSS' established collection process.

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**11-05**

**Program:** Temporary Assistance for Needy Families Cluster, Including ARRA Grant Funding

**CFDA Nos.:** 93.558 and 93.714

**Federal Agencies:** U.S. Department of Health and Human Services

**Passed-through:** California Department of Social Services

**Award Numbers:** Santa Barbara

**Award Year:** Fiscal year 2010/11

**Compliance Requirement:** Special Tests and Provisions

**Questioned Costs:** \$0

**Criteria:**

The *March 2011 OMB Circular A-133 Compliance Supplement* requires each State to participate in the Income Eligibility and Verification System (IEVS), the Child Support Non-Cooperation, and Penalty for Refusal to Work. Under the State of California IEVS Plan, the County is required to properly consider the information obtained from the State of California data matching system in determining the eligibility and the amount of Temporary Assistance for Needy Families (TANF) benefits.

**Condition Found:**

Out of the 60 case files selected for eligibility testing, we noted:

- 11 case files whereby the County did not use the IEVS to verify income and property documentation in a timely and consistent manner at the redetermination dates.

**Effect:**

Lack of investigative procedures could result in participants receiving incorrect benefit amounts.

**Recommendation:**

We recommend that the County strictly adhere to the established policies and procedures with regards to ongoing eligibility verification. This will help ensure the accuracy of the participant data and that eligibility determinations are supported by the proper documentation in the participant file.

**Views of Responsible Officials:**

We concur with this finding. The DSS acknowledges that the County did not use the IEVS system to verify income and properly document in a timely and consistent manner at the redetermination date. IEVS was subsequently processed, resulting in no change in eligibility.

The DSS has written policies and procedures in place and adherence to these instructions is expected. The DSS utilizes supervisory case reviews to ensure the integrity of the eligibility determinations. Supervisors will focus on the IEVS applicant report at intake and at redetermination. Additionally, the Compliance Division Quality Assurance unit will collect the supervisor reviews and conduct an analysis of the reviews. The results will be compiled into a report that will be disseminated to program managers, Department Business Specialist, line supervisors and line staff. Also, the Compliance Division will conduct a review focusing on IEVS to ensure the IEVS applicant report is requested and used timely at application and at redetermination.

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**11-06**

**Program:** Foster Care Title IV-E, Including ARRA Grant Funding

**CFDA No.:** 93.658

**Federal Agencies:** U.S. Department of Health and Human Services

**Passed-through:** California Department of Social Services

**Award Numbers:** Santa Barbara

**Award Year:** Fiscal year 2010/2011

**Compliance Requirement:** Eligibility

**Questioned Costs:** \$0

**Criteria:**

The *March 2011 OMB Circular A-133 Compliance Supplement* requirements for eligibility state that the pass-through entity must determine whether required eligibility determinations were made, that individual/group program participants were determined to be eligible, and that only eligible individuals or groups of individuals participated in the program, and determine whether federal program awards were made only to eligible participants.

**Condition Found:**

Out of the 60 participants selected for eligibility testwork, we noted the following:

- 5 case files whereby the County failed to re-determine reasonable candidacy in a timely manner
- 4 case files whereby the case plans were missing one of the required signatures.

**Effect:**

Ineligible participants may be receiving benefits.

**Recommendation:**

We recommend that the County establish formal policies and procedures with regards to ongoing eligibility re-determination requirements in order to ensure that eligibility re-determinations are being performed within the specified timeframe. This will help ensure the accuracy of the participant data and that eligibility determinations are supported by the proper documentation in the participant file.

**Views of Responsible Officials:**

The Probation Department concurs with both of these conditions. As a result of the prior year's audit, Probation implemented an electronic method of tracking required review dates for case plans and a method and means for documenting when a minor becomes ineligible for Title IV-E services. As a result of these improvements, the number of instances where the reasonable candidacy was not re-determined in a timely manner decreased from 13 in the prior year to 5 in the current year. The case management system includes management reports which, if utilized consistently, will minimize instances where re-determination is not completed timely. The Department has reaffirmed the requirement that supervisors review these reports and has retrained staff in their use. In addition, manager review of the reports has been implemented to further ensure that re-determination is completed timely. Finally, Probation is implementing new random moment time study in January 2012 which will directly tie billing to specific cases and will increase accountability.

The lack of signatures on case plans is an ongoing concern. Case plans require the signatures of the supervision officer, the supervisor, the minor, and the minor's parent. In most instances, the signature that is missing is the parent's signature. Supervision officers are trained to document attempts at obtaining the parent's signature but, in some instances, parents are uncooperative or unavailable. Supervisors will periodically review case files and follow up with supervision officers when signatures are missing.

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**11-07**

**Program:** Adoption Assistance, Including ARRA Grant Funding

**CFDA No.:** 93.659

**Federal Agencies:** U.S. Department of Health and Human Services

**Passed-through:** California Department of Social Services

**Award Numbers:** Santa Barbara

**Award Year:** Fiscal Year 2010/11

**Compliance Requirement:** Eligibility

**Questioned Costs:** \$42,745

**Criteria:**

The *March 2011 OMB Circular A-133 Compliance Supplement* requirements for eligibility state that the pass-through entity must determine whether required eligibility determinations were made, that cases were determined to be eligible, and that only eligible individuals or groups of individuals participated in the program, and determine whether federal program awards were made for eligible cases.

**Condition Found:**

Out of the 60 participants selected for eligibility testwork, we noted the following:

- 3 case files whereby the County failed to agree the benefit payment on form AAP-2 to the amount in the CalWin System.
- 20 case files whereby the forms AD 4320 were missing from the files.
- 17 case files whereby the forms AAP-4 were signed by the same person for the County's Department of Social Services' Adoption Agency and Child Welfare Services Program.
- 26 case files whereby the forms AAP-2 and/or AD 4320 were missing the required signatures.

**Effect:**

Participants may be ineligible to receive benefits per AFDC 1996 requirements, but may be eligible to receive benefits under another funding source.

**Recommendation:**

We recommend that the County establish formal policies and procedures with regards to ongoing eligibility re-determination requirements in order to ensure that eligibility re-determinations are being performed within the specified timeframe. This will help ensure the accuracy of the participant data and that eligibility determinations are supported by the proper documentation in the participant file.

**Views of Responsible Officials:**

We concur with this finding. The DSS acknowledges three instances whereby the County failed to agree the benefit payment of form AAP-2 to the amount in CalWIN System. The DSS also acknowledges that form AD 4320 was missing from several case files, and that several case files whereby the forms AAP-4 were signed by the same person for the County Department of Social Services' Adoption Agency and Welfare Program. Additionally several case files whereby the forms AAP-2 and/or AD 4320 were missing required signatures.

In regards to Questioned Costs, we acknowledge the importance of proper coding in the CalWIN system. However, we would like to emphasize that while these children were not eligible to benefits per AFDC 1996 requirements, they were State eligible to these payments. Therefore, we will appropriately claim these costs as State only costs instead of federally eligible costs. The cost to the County will be no different than it would have been if these costs were originally claimed properly.

We are developing an extensive corrective action plan (see below) as well as continuing a number of corrective actions from the prior year. This continuation is needed because there were major eligibility and program changes in AFDC-FC and AAP as well reassignments within the Foster Care unit.

- 1) Develop an AAP Handbook for AAP eligibility staff.
- 2) Provide specific training to AAP staff on program requirements, forms and case file documentation.
- 3) Revise AAP intake and case granting process.
- 4) Revise AAP reassessment process.
- 5) A 100% review of all existing AAP cases will be conducted.
- 6) 100% AAP grantings will be reviewed by the AAP eligibility supervisor.
- 7) 50% of AAP reassessments per month per worker will be reviewed by the AAP eligibility supervisor.
- 8) AAP Case Review will be revised to reflect program changes.
- 9) AAP Social Workers will be assigned to review AAP services cases on an ongoing basis.
- 10) Monthly program specific training will be provided to AAP eligibility staff. The AAP eligibility supervisor will cover program process changes.

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**COUNTY OF SANTA BARBARA, CALIFORNIA  
STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2011**

**10-01**

**Program:** Foster Care Title IV-E, Including ARRA Grant Funding

**CFDA No.:** 93.658

**Federal Agencies:** U.S. Department of Health and Human Services

**Passed-through:** California Department of Social Services

**Award Numbers:** Santa Barbara

**Award Year:** Fiscal year 2009/10

**Compliance Requirement:** Eligibility

**Questioned Costs:** \$47,089

**Criteria:**

The *June 2010 OMB Circular A-133 Compliance Supplement* requirements for eligibility state that the pass-through entity must determine whether required eligibility determinations were made, that individual/group program cases were determined to be eligible, and that only eligible individuals or groups of individuals participated in the program, and determine whether federal program awards were made only to eligible cases.

**Condition Found:**

Out of the 60 cases selected for eligibility testwork, we noted the following:

- 4 case files where the cases are not eligible per AFDC 1996 requirements.

**Effect:**

Participants may be ineligible to receive benefits per AFDC 1996 requirements, but may be eligible to receive benefits under another funding source.

**Recommendation:**

We recommend that the County establish formal policies and procedures with regards to ongoing Title IV-E eligibility determination requirements in order to ensure that Title IV-E eligibility determinations are being performed within the specified timeframe. This will help ensure the accuracy of the case data and that Title IV-E eligibility determinations are supported by the proper documentation in the case file.

**Views of Responsible Officials:**

We concur with this finding. The Department acknowledges that four AFDC-FC cases were coded with the incorrect funding source (federal payment issued rather than state). This finding supports the need for continued use of revised and updated documents and review of cases that were granted by the Intake Supervisor. Corrective action will include:

- 1) Review of and training of Foster Care staff on Title IV-E requirements.
- 2) Revision of Granting Case Checklist and Renewal Checklist to include Title IV-E review and supervisor sign off.
- 3) Review of all granted cases with written approval by Foster Care Supervisor.
- 4) Training of Foster Care staff on completion of form FC2 and form FC3 and supporting documentation Training of CWS Placement Staff on completion of form FC2 and importance of providing timely and accurate information to eligibility staff.
- 5) Training of Foster Care staff on case file documents.

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**Current Year Status:**

See current year finding 11-01.

**10-02**

**Program:** Medicaid Cluster, Including ARRA Grant Funding

**CFDA No.:** 93.778

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

**Passed-through:** California Department of Health Care Services

**Award Numbers:** Various

**Award Year:** Fiscal year 2009/10

**Compliance Requirement:** Eligibility

**Questioned Costs:** \$0

**Criteria:**

The *June 2010 OMB Circular A-133 Compliance Supplement* requirements for eligibility state that the pass-through entity must determine whether required eligibility determinations were made, that individual/group program participants were determined to be eligible, and that only eligible individuals or groups of individuals participated in the program, and determine whether federal program awards were made only to eligible participants.

**Condition Found:**

Specific requirements must be followed to ensure that the individual meets the financial and categorical requirements, which includes the following:

- Obtaining a written application, MC 210 "Statement of Facts," signed under penalty of perjury by the applicant.
- Verification of an applicant's information reported on the MC 210 "Statement of Facts," including identity, social security number, residency, monthly expenses, as well as pregnancy, if necessary.
- Verification of an applicant's income eligibility using the Income and Eligibility Verification System (IEVS). If the applicant is employed, a pay stub is required to verify income.
- Verification of an applicant's supplemental social security income (SSI) eligibility by obtaining a Medi-Cal Eligibility Data System (MEDS) report, if the applicant is applying for the Qualified Medicare Beneficiary (QMB) program.
- Verification of an applicant and recipient's social security number (SSN) to ensure that each SSN furnished was issued to that individual.
- Verification of an applicant's qualified alien status by obtaining an MC 13 if the applicant is not a U.S. citizen.
- Verification of the eligibility of Medicaid recipients with respect to circumstances that may change, at least every 12 months.

Out of the 60 case files selected for eligibility testwork, we noted the following:

- 4 case files whereby the County did not use the IEVS in a timely manner to verify income and property documentation.
- 4 case files whereby the eligibility information provided by the client did not match the information entered into the system.
- 4 case files whereby the County failed to timely process the client's reapplication form to redetermine eligibility.

Out of the 60 case files selected for In-Home Supportive Services (IHSS) eligibility testwork, we noted the following:

- 10 case files whereby the County failed to perform a client reassessment of needs within the 12 month renewal period.



**Effect:**

Participant data may not be accurate in the participant file or the system, which could lead to initial and continual eligibility errors, inaccurate benefit calculations, and benefit overpayments.

**Recommendation:**

We recommend that the County establish formal policies and procedures with regards to initial and ongoing eligibility determination, required documentation, and maintenance of participant file and ensure that such policies and procedures are formally documented and strictly adhered to by County personnel. This will help ensure the accuracy of the participant data and that eligibility determinations are supported by the proper documentation in the participant file.

**Views of Responsible Officials:**

We concur with this finding.

To ensure IEVS reports are issued and used timely, the business process has been changed to have the IEVS request occur at the time the renewal packet is received from the client. In addition to the business process change, the newly revised Administrative Directive (Admin AD 06-22) IEVS Reports will be reviewed with staff during the next Medi-Cal TEAM meeting. Eligibility Supervisors will be required to review this AD with their eligibility staff and will be submitting a training report as verification of compliance.

The department recognizes the importance of processing re-determinations in a timely manner. Even though the department has policies and processes in place to ensure re-determinations are completed timely, it is becoming increasingly challenging to meet these deadlines due to the level of resources and increasing caseloads.

**IHSS**

We concur with this finding.

The department recognizes the importance of processing reassessments in a timely manner. The department acknowledges that ten reassessments were not completed within the mandated time frames. Limited resources have been redirected to this area. Using the CDSS formula for overdue assessments, we recently achieved 92% compliance and are confident that we have improved in this area. The Department Business Specialist and the program Supervisors will continue to monitor this area.

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**Current Year Status:**

See current year finding 11-02.

**10-03**

**Program:** State Administrative Matching Grants for Food Stamp Program

**CFDA No.:** 10.561

**Federal Agency:** U.S. Department of Agriculture

**Passed-through:** California Department of Social Services

**Award No.:** Santa Barbara

**Award Year:** Fiscal year 2009/10

**Compliance Requirement:** Special Tests and Provisions – ADP System for Food Stamps

**Questioned Costs:** \$438

**Criteria:**

The *June 2010 OMB Circular A-133 Compliance Supplement* requirements for special tests and provisions requires that the County (1) accurately and completely process and store all case file information for eligibility determination and benefit calculation; (2) automatically cut off households at the end of their certification period unless recertified; and (3) provide data necessary to meet federal issuance and reconciliation reporting requirements. In addition, the *June 2010 OMB Circular A-133 Compliance Supplement* requirements for eligibility state that the pass-through entity must determine whether required eligibility determinations were made, that individual/group program participants were determined to be eligible, and that only eligible individuals or groups of individuals participated in the program, and determine whether federal program awards were made only to eligible participants.

**Condition Found:**

Out of 60 case files selected for testing, we noted:

- 3 case files whereby the County inaccurately entered the participant's income into the CalWin System.

**Effect:**

Participants may be receiving incorrect benefit amounts.

**Recommendation:**

We recommend that the County establish formal policies and procedures with regards to initial and ongoing eligibility determination, required documentation, and maintenance of participant files and ensure that such policies and procedures are formally documented and strictly adhered to by County personnel. We recommend that the County require the determination and calculation be reviewed by other County personnel. This will help ensure the accuracy of the participant data and that eligibility determinations are supported by the proper documentation in the participant file.

**Views of Responsible Officials:**

We concur with this finding:

The Department acknowledges that the participant's income was entered inaccurately into the CalWIN System (three instances). Administrative Directive AD 09-102 Case Review Policy Multiple Programs CalWORKs, CalFresh (Food Stamps) and Medi-Cal was revised on October 6, 2010, to reflect the importance of this process. The Department has reemphasized its commitment to program integrity by 1) communicating this with the supervisors and 2) creating a new Compliance Division to provide the segregation of duties and the necessary oversight to ensure this critical function occurs. The Compliance Division collects supervisor case reviews and will provide management with an error trend analysis. Staff will follow-up on any actions needed as a result of the error trend analysis.

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**Current Year Status:**

See current year finding 11-03.

**10-04**

**Program:** Temporary Assistance for Needy Families Cluster, Including ARRA Grant Funding

**CFDA Nos.:** 93.558 and 93.714

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

**Passed-through:** California Department of Social Services

**Award Number:** Santa Barbara

**Award Year:** Fiscal year 2009/10

**Compliance Requirement:** Eligibility

**Questioned Costs:** \$1,036

**Criteria:**

The *June 2010 OMB Circular A-133 Compliance Supplement* requirements for eligibility state that the pass-through entity must determine whether required eligibility determinations were made, that individual/group program participants were determined to be eligible, and that only eligible individuals or groups of individuals participated in the program, and determine whether federal program awards were made only to eligible participants.

**Condition Found:**

Out of the 60 case files selected for eligibility testing, we noted:

- 8 case files whereby the County inaccurately recorded the participants' benefit amounts from supporting documentation.

**Effect:**

Participants may be receiving incorrect benefit amounts.

**Recommendation:**

We recommend that the County strictly adhere to the established policies and procedures with regards to ongoing eligibility determination, required documentation, and maintenance of the participant's file. This will help ensure the accuracy of the participant's data and that eligibility determinations are supported by the proper documentation in the participant file.

**Views of Responsible Officials:**

We concur with this finding:

The Department acknowledges that the participant's income was entered inaccurately into the CalWIN System (eight instances). Administrative Directive AD 09-102 Case Review Policy Multiple Programs CalWORKs, CalFresh (Food Stamps) and Medi-Cal was revised on October 6, 2010, to reflect the importance of this process. The Department has reemphasized its commitment to program integrity by 1) communicating this with the supervisors and 2) creating a new Compliance Division to provide the segregation of duties and the necessary oversight to ensure this critical function occurs. The Compliance Division collects supervisor case reviews and will provide management with an error trend analysis. Staff will follow-up on any actions needed as a result of the error trend analysis.

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**Current Year Status:**

See current year finding 11-04.

**10-05**

**Program:** Temporary Assistance for Needy Families Cluster, Including ARRA Grant Funding

**CFDA Nos.:** 93.558 and 93.714

**Federal Agencies:** U.S. Department of Health and Human Services

**Passed-through:** California Department of Social Services

**Award Numbers:** Santa Barbara

**Award Year:** Fiscal year 2009/10

**Compliance Requirement:** Special Tests and Provisions

**Questioned Costs:** \$0

**Criteria:**

The *June 2010 OMB Circular A-133 Compliance Supplement* requires each State to participate in the Income Eligibility and Verification System (IEVS), the Child Support Non-Cooperation, and Penalty for Refusal to Work. Under the State of California IEVS Plan, the County is required to properly consider the information obtained from the State of California data matching system in determining the eligibility and the amount of Temporary Assistance for Needy Families (TANF) benefits.

**Condition Found:**

Out of the 60 case files selected for eligibility testing, we noted:

- 8 case files whereby the County did not use the IEVS to verify income and property documentation. Upon review of IEVS reports processed at a later date, for the 8 case files, it was determined that no impact to eligibility resulted.

**Effect:**

Lack of investigative procedures could result in participants receiving incorrect benefit amounts.

**Recommendation:**

We recommend that the County strictly adhere to the established policies and procedures with regards to ongoing eligibility verification. This could prevent TANF benefit payments made to ineligible participants.

**Views of Responsible Officials:**

We concur with this finding:

The Department acknowledges the IEVS reports were not used in a timely manner to verify income and property. Administrative Directive AD 09-102 Case Review Policy Multiple Programs CalWORKs, CalFresh (Food Stamps) and Medi-Cal was revised on October 6, 2010, to reflect the importance of this process. The Department has reemphasized its commitment to program integrity by 1) communicating this with the supervisors and 2) creating a new Compliance Division to provide the segregation of duties and the necessary oversight to ensure this critical function occurs. The Compliance Division collects supervisor case reviews and will provide management with an error trend analysis. Staff will follow-up on any actions needed as a result of the error trend analysis.

AD 06-22 – IEVS Report was recently revised to give staff detailed instructions on when to request the IEVS Applicant Reports and the steps to take in resolving any discrepancies. Ongoing workers are required to request an IEVS Applicant Report during the yearly renewal process. As a result of this finding, case reviews will include verifying that the IEVS Applicant Report was requested timely and processed timely. Any discrepancies found will be followed up with the clients.

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**Current Year Status:**

See current year finding 11-05.

**10-06**

**Program:** Foster Care Title IV-E, Including ARRA Grant Funding

**CFDA No.:** 93.658

**Federal Agencies:** U.S. Department of Health and Human Services

**Passed-through:** California Department of Social Services

**Award Numbers:** Santa Barbara

**Award Year:** Fiscal year 2009/10

**Compliance Requirement:** Eligibility

**Questioned Costs:** \$0

**Criteria:**

The *June 2010 OMB Circular A-133 Compliance Supplement* requirements for eligibility state that the pass-through entity must determine whether required eligibility determinations were made, that individual/group program participants were determined to be eligible, and that only eligible individuals or groups of individuals participated in the program, and determine whether federal program awards were made only to eligible participants.

**Condition Found:**

Out of the 60 participants selected for eligibility testwork, we noted the following:

- 13 case files whereby the County failed to re-determine reasonable candidacy every six months.
- 4 case files whereby the case plans were missing one of the required signatures.

**Effect:**

Ineligible participants may be receiving benefits.

**Recommendation:**

We recommend that the County establish formal policies and procedures with regards to ongoing eligibility re-determination requirements in order to ensure that eligibility re-determinations are being performed within the specified timeframe. This will help ensure the accuracy of the participant data and that eligibility determinations are supported by the proper documentation in the participant file.

**Views of Responsible Officials:**

The Probation Department concurs with both of these findings. It should be noted that upon re-determination, all cases remained Title IV-E eligible. As a result of the audit, Probation implemented a more efficient method of tracking required review dates for case plans and a method and means for documenting when a minor becomes ineligible for Title IV-E. In July 2010, as a response to the audit, a Title IV-E Section was added to the Overview page of Probation's online case management system (IMPACT), which now clearly states whether the minor is eligible, billable, and when the next review date is due. All Juvenile Division staff received instruction on the use of the new features and this information is now visible whenever a minor's electronic file is accessed. Additionally, a required comment section has been added to the IMPACT screen used to modify IV-E eligibility. Staff are required to add a comment whenever there is a change in a minor's Title IV-E eligibility. This documentation helps the Supervisor when reviewing files to determine when and why a minor's IV-E status is changed.

The addition of the six month review date on the overview page, the availability of management reports detailing reviews which are coming due or are overdue, and supervisor review of the management reports will ensure that six month reviews are being performed timely. Displaying eligibility status on the overview page and tracking features built into the system will ensure that ineligible minors do not receive benefits. The Department has also implemented quarterly reviews by Juvenile Division managers to ensure compliance with all Title IV-E requirements.

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**Current Year Status:**

See current year finding 11-06

**10-07**

**Program:** Adoption Assistance, Including ARRA Grant Funding

**CFDA No.:** 93.659

**Federal Agencies:** U.S. Department of Health and Human Services

**Passed-through:** California Department of Social Services

**Award Numbers:** Santa Barbara

**Award Year:** Fiscal Year 2009/10

**Compliance Requirement:** Eligibility

**Questioned Costs:** \$287

**Criteria:**

The *June 2010 OMB Circular A-133 Compliance Supplement* requirements for eligibility state that the pass-through entity must determine whether required eligibility determinations were made, that cases were determined to be eligible, and that only eligible individuals or groups of individuals participated in the program, and determine whether federal program awards were made for eligible cases.

**Condition Found:**

Out of the 60 participants selected for eligibility testwork, we noted the following:

- 15 case files whereby the County failed to agree the benefit payment on form AAP-2 to the amount in the CalWin System.
- 7 case files whereby the County failed to perform a 2 year assessment for eligibility in a timely manner.
- 8 case files whereby the County failed to update the CalWin System with information from form AAP-2 in a timely manner.
- 3 case files whereby the forms AAP-2 and/or AD 4320 were missing the required signatures.
- 2 case files whereby the County failed to terminate benefits after the child became 18 years of age.

**Effect:**

Participants may be ineligible to receive benefits per AFDC 1996 requirements, but may be eligible to receive benefits under another funding source.

**Recommendation:**

We recommend that the County establish formal policies and procedures with regards to ongoing eligibility re-determination requirements in order to ensure that eligibility re-determinations are being performed within the specified timeframe. This will help ensure the accuracy of the participant data and that eligibility determinations are supported by the proper documentation in the participant file.

**Views of Responsible Officials:**

We concur with this finding.

The Department acknowledges that there were errors in CalWIN data entries, untimely reassessments, lack of required signatures on certain forms, and two instances whereby the County failed to terminate benefits after the child attained age 18. The following procedures will be developed in response to these findings:

- 1) Development of AAP case granting checklist
- 2) Development of AAP Reassessment Checklist
- 3) Training of AAP staff on AAP program requirements and case file documentations
- 4) Review and approval of all AAP case grantings by AAP eligibility supervisor
- 5) Review and approval of 50% of case grantings by AAP supervisor
- 6) Development of AAP procedural handbook

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**Current Year Status:**

See current year finding 11-07.

## **10-08**

**Program:** Child Support Enforcement Program, Including ARRA Grant Funding

**CFDA No.:** 93.563

**Federal Agencies:** U.S. Department of Health and Human Services

**Passed-through:** California Department of Social Services

**Award Numbers:** Santa Barbara

**Award Year:** Fiscal year 2009/10

**Compliance Requirement:** Special Tests and Provisions

**Questioned Costs:** \$0

### **Criteria:**

The *June 2010 OMB Circular A-133 Compliance Supplement* requirements for Special Tests and Provisions require the following:

The County to establish paternity and a support obligation for children under Title IV-D cases within 90 calendar days of locating the non-custodial parent.

Under IV-D cases where an obligation to support has been ordered, the County is required to monitor such cases. For cases requiring enforcement, an enforcement action must be initiated within 30 days of identifying a delinquency or 60 days if service of process is required.

The County is required to inquire if the custodial parent has insurance other than Medicaid and is required to petition or pursue enforcement of medical support in the form of health insurance as part of support orders.

### **Condition Found:**

Out of the 60 participants selected for eligibility testwork, we noted the following:

- 10 case files whereby the County failed to serve process and/or establish an order for support obligation within 90 days of locating the non-custodial parent.

### **Effect:**

The County is out of compliance with the requirements of the Special Tests and Provisions of OMB Circular A-133.

### **Recommendation:**

We recommend that the County strictly adhere to the established policies and procedures with regards to establishing paternity and a support obligation within the required deadlines for IV-D cases, verify enforcement actions within the required time frame and enforce the requirement for medical support as part of support orders.

### **Views of Responsible Officials:**

We concur with the conditions found on 10 of the case files.

In July 2009 Santa Barbara County developed and implemented Pre-Order Early Intervention Program and Team in order to engage Noncustodial Parents during the early stages of the establishment process. By establishing early communication with the Noncustodial Parents we believed amongst other benefits we would also see that orders were being obtained in a more efficient manner. Indeed, since the implementation of this team, we have continuously increased our Percent of Cases with a Child Support Order. At the end of the Federal Fiscal Year (2009/10) our percentage in this Federal Performance Measure was 85.3% – well exceeding the goal of 82.2% that had been set for us by the State. The Early Intervention Team also started working the Expedited Process Report in order to bring to disposition a slew of cases in which we had served the Noncustodial Parent but had not yet obtained an order. In August of 2009 when we first ran the report there were 666 such cases by May 2010 the team had cleared 338 cases of the report. Since the report is a “moving target” (new cases come on the report as others drop off), the team has incorporated working the report as part of their weekly routine. It should be noted that of the cases that failed in the establishment area on this audit - none were opened after July 2009.

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**Current Year Status:**

Resolved in the current year.