

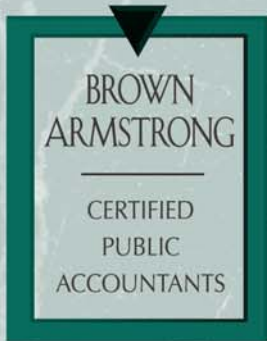
COUNTY OF SANTA BARBARA, CALIFORNIA
SINGLE AUDIT REPORTS
FOR THE YEAR ENDED JUNE 30, 2018

**COUNTY OF SANTA BARBARA, CALIFORNIA
SINGLE AUDIT REPORTS
FOR THE YEAR ENDED JUNE 30, 2018**

TABLE OF CONTENTS

	<u>Page</u>
 <u>Reports</u>	
Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	1
Independent Auditor’s Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance.....	3
Independent Auditor’s Report on Supplementary Information – Schedule of Expenditures of Federal Awards.....	5
 <u>Financial Statements</u>	
Schedule of Expenditures of Federal Awards.....	6
Notes to Schedule of Expenditures of Federal Awards	11
 <u>Findings and Questioned Costs</u>	
Schedule of Findings and Questioned Costs.....	13
Status of Prior Year Findings and Questioned Costs	17
Corrective Action Plan.....	21

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, 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, 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated August 28, 2018.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs as Finding 2018-FS01, that we consider to be a significant deficiency.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed 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 2018-001 through 2018-002.

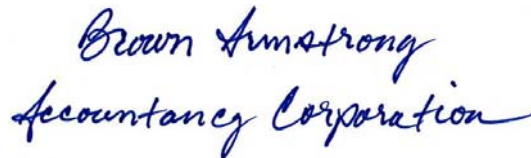
The County's Response to Findings

The County's response to the findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. The County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

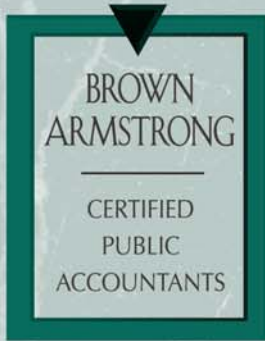
Purpose of this Report

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

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

A handwritten signature in blue ink that reads "Brown Armstrong Accountancy Corporation". The signature is written in a cursive, flowing style.

Bakersfield, California
August 28, 2018



BROWN ARMSTRONG

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

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

Report on Compliance for Each Major Federal Program

We have audited the County of Santa Barbara, California's (the County) compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2018, and the related notes to the financial statements. 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.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about 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 on compliance for each major federal program. However, our audit does not provide a legal determination of the County's compliance.

Opinion on Each Major Federal Program

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

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Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying Schedule of Findings and Questioned Costs as Findings 2018-001 through 2018-002. Our opinion on each major federal program is not modified with respect to these matters.

The County's response to the noncompliance findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. The County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

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

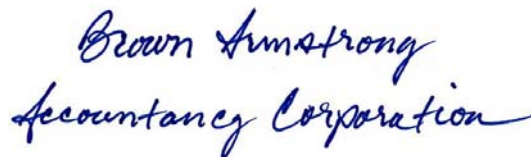
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control over compliance, as described in the accompanying Schedule of Findings and Questioned Costs as Findings 2018-001 through 2018-002, to be significant deficiencies.

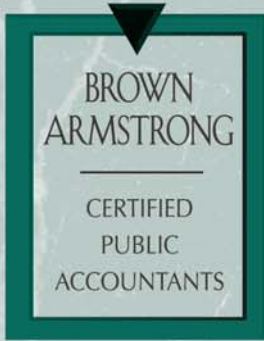
The County's response to the internal control over compliance findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. The County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Handwritten signature in blue ink that reads "Brown Armstrong Accountancy Corporation".

Bakersfield, California
November 1, 2018



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, the aggregate discretely presented component unit, 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, 2018, and the related notes to the financial statements, which collectively comprise the County’s basic financial statements. We issued our report thereon dated August 28, 2018, which contained unmodified opinions on those financial statements.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

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
Brown Armstrong
Accountancy Corporation

Bakersfield, California
November 1, 2018

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FINANCIAL STATEMENTS

**COUNTY OF SANTA BARBARA, CALIFORNIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2018**

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Catalog of Federal Domestic Assistance Number</u>	<u>Pass-Through Number</u>	<u>Passed Through to Subrecipients</u>	<u>Total Expenditures</u>
U.S. DEPARTMENT OF AGRICULTURE				
Direct Programs:				
Cooperative Forestry Assistance	10.664	11-LE-11051360-224 B	\$ -	\$ 1,523
Cooperative Forestry Assistance	10.664	11-LE-11051360-224 A	-	18,017
Subtotal			-	19,540
Passed through California Department of Food and Agriculture:				
Plant and Animal Disease, Pest Control, and Animal Care	10.025	16-0524-SF	-	141,862
Plant and Animal Disease, Pest Control, and Animal Care	10.025	17-0213-014-SFSF	-	5,042
Plant and Animal Disease, Pest Control, and Animal Care	10.025	17-0215-008-SF	-	24,480
Plant and Animal Disease, Pest Control, and Animal Care	10.025	17-0154-039-SF	-	36,759
Subtotal			-	208,143
Passed through California Department of Public Health:				
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	15-10114	-	3,670,500
Passed through California Department of Social Services:				
State Administrative Matching Grants for the Supplemental Food Program	10.561	Santa Barbara	-	7,949,949
TOTAL U.S. DEPARTMENT OF AGRICULTURE			-	11,848,132
U.S. DEPARTMENT OF EDUCATION				
Passed through California Department of Education:				
Rehabilitation Services - Vocational Rehabilitation Grants to States	84.126	30310	-	213,240
TOTAL U.S. DEPARTMENT OF EDUCATION			-	213,240
U.S. DEPARTMENT OF ENERGY				
Passed through California:				
Energy Efficiency and Conservation Block Grant Program (EECBG)	81.128	400-09-024	-	14,151
TOTAL U.S. DEPARTMENT OF ENERGY			-	14,151
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Direct Programs:				
Affordable Care Act (ACA) Grants for New and Expanded Services under the Health Center Program	93.527	H80CS00046	-	989,332
Consolidated Health Centers (Community Health Centers, Migrant Health Centers, Health Care for the Homeless, and Public Housing Primary Care)	93.224	H80CS00046	-	873,261
Grants to Provide Outpatient Early Invention Services with Respect to HIV Disease	93.918	H76HA00193	-	326,636
Passed through California Governor's Office of Emergency Services:				
Children's Justice Grants to States	93.643	ES16010420	-	10,800
Passed through California Department of Social Services:				
Guardianship Assistance	93.090	Santa Barbara	-	218,263
Passed through California Department of Social Services:				
Foster Care - Title IV-E	93.658	Santa Barbara	-	9,186,947

See accompanying notes to the schedule of expenditures of federal awards and
the independent auditor's report on compliance for each major program and on
internal control over compliance required by the Uniform Guidance.

**COUNTY OF SANTA BARBARA, CALIFORNIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
FOR THE YEAR ENDED JUNE 30, 2018**

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Catalog of Federal Domestic Assistance Number</u>	<u>Pass-Through Number</u>	<u>Passed Through to Subrecipients</u>	<u>Total Expenditures</u>
Passed through California Department of Health Services: Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	Santa Barbara	-	96,046
Passed through California Department of Health and Human Services: Projects for Assistance in Transition from Homelessness (PATH)	93.150		-	58,066
Passed through California Department of Health and Human Services: Block Grants for Community Mental Health Services	93.958		-	484,398
Passed through California Department of Public Health: Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	93.074	14-10413	35,959	123,341
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	93.074	17-10193	-	444,881
Subtotal			35,959	568,222
Passed through California Department of Public Health: Preventative Health and Health Services Block Grant	93.991	16-10158	-	796,608
Maternal and Child Health Services Block Grant to the States	93.994	201742	-	885,936
Immunization Cooperative Agreements	93.268	17-10348	-	165,525
Passed through California Department of Health Care Services: Centers for Disease Control and Prevention - Investigation and Technical Assistance	93.283	16-93231	-	5,000
Passed through California Department of Public Health - Office of AIDS: HIV Care Formula Grants	93.917	15-10930	22,468	80,321
HIV Care Formula Grants	93.917	15-11075	-	238,577
Subtotal			22,468	318,898
Passed through California Department of Social Services: Promoting Safe and Stable Families	93.556	Santa Barbara	-	338,277
Refugee and Entrant Assistance - State Administered Programs	93.566	Santa Barbara	-	1,382
Stephanie Tubbs Jones Child Welfare Services Programs	93.645	Santa Barbara	-	311,417
Adoption Assistance	93.659	Santa Barbara	-	4,582,512
Social Services Block Grant	93.667	Santa Barbara	-	551,780
Chafee Foster Care Independence Program	93.674	Santa Barbara	-	102,450
Temporary Assistance for Needy Families	93.558	Santa Barbara	-	20,006,219
Child Support Enforcement	93.563	Santa Barbara (County 42)	-	6,455,870
Passed through Substance Abuse and Mental Health Services Administration: Substance Abuse and Mental Health Services - Projects of Regional and National Significance	93.243	1H79T1080118-01	29,505	150,527
Passed through U.S. Department of Health and Human Services: Block Grants for Prevention and Treatment of Substance Abuse	93.959	12NNA42	-	874,977
Passed through California Department of Alcohol and Drug Programs: Block Grants for Prevention and Treatment of Substance Abuse	93.959	14-90100	-	2,009,943
Subtotal			-	2,884,920

See accompanying notes to the schedule of expenditures of federal awards and
the independent auditor's report on compliance for each major program and on
internal control over compliance required by the Uniform Guidance.

**COUNTY OF SANTA BARBARA, CALIFORNIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
FOR THE YEAR ENDED JUNE 30, 2018**

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Catalog of Federal Domestic Assistance Number</u>	<u>Pass-Through Number</u>	<u>Passed Through to Subrecipients</u>	<u>Total Expenditures</u>
Passed through California Department of Social Services: Medical Assistance Program	93.778	Santa Barbara	-	21,967,763
Passed through State of California Department of Health Care Services: Medical Assistance Program	93.778	42	-	4,536,582
Subtotal			-	26,504,345
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			87,932	76,873,637
U.S. DEPARTMENT OF HOMELAND SECURITY				
Passed through California Department of Health Care Services: Crisis Counseling	97.032		-	271,702
Direct Programs				
Disaster Grants - Public Assistance	97.036	FEMA-4305-DR-CA		345,936
Disaster Grants - Public Assistance	97.036	FEMA-4308-DR-CA	-	1,629,749
Subtotal			-	1,975,685
Passed through Governor's Office of Emergency Services:				
Emergency Management Performance Grants	97.042	2017-0007, CalOES 083-00000	-	216,594
Homeland Security Grant Program	97.067	2015-0078, OES #083-00000	-	385,798
Homeland Security Grant Program	97.067	2016-00102, OES #083-00000	-	15,461
Homeland Security Grant Program	97.067	2017-00102, OES #083-00000	-	58,845
Passed through San Diego Sheriff's Department: Homeland Security Grant Program	97.067	2014-2015	-	48,894
Subtotal			-	508,998
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY			-	2,972,979
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Direct Programs:				
Community Development Block Grants/Entitlement Grants	14.218	B14UC060509	6,065	6,065
Community Development Block Grants/Entitlement Grants	14.218	B15UC060509	10,882	76,197
Community Development Block Grants/Entitlement Grants	14.218	B16UC060509	54,650	216,548
Community Development Block Grants/Entitlement Grants	14.218	B17UC060509	73,713	288,492
Subtotal			145,310	587,302
Emergency Solution Grants Program	14.231	E14UC060509	-	1,371
Emergency Solution Grants Program	14.231	E16UC060509	57,842	68,960
Emergency Solution Grants Program	14.231	E13-UC060509	-	2,702
Emergency Solution Grants Program	14.231	16-ESG-11121	555,455	574,149
Subtotal			613,297	647,182
Supportive Housing Program	14.235	CA0598L9D031609	-	104,767
Supportive Housing Program	14.235	CA0600L9D031508	21,318	21,913
Supportive Housing Program	14.235	CA1006L9D031605	-	32,470
Supportive Housing Program	14.235	CA1123L9D031502	61,700	63,786
Supportive Housing Program	14.235	CA1006L9D031504	-	34,019
Supportive Housing Program	14.235	CA1605L9D031600	-	34,179
Supportive Housing Program	14.235	CA1441L9D031500	-	39,118
Subtotal			83,018	330,252

See accompanying notes to the schedule of expenditures of federal awards and the independent auditor's report on compliance for each major program and on internal control over compliance required by the Uniform Guidance.

**COUNTY OF SANTA BARBARA, CALIFORNIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
FOR THE YEAR ENDED JUNE 30, 2018**

Federal Grantor/Pass-Through Grantor/Program Title	Catalog of Federal Domestic Assistance Number	Pass-Through Number	Passed Through to Subrecipients	Total Expenditures
HOME Investment Partnerships Program	14.239	M12-DC060554	69,197	69,197
HOME Investment Partnerships Program	14.239	M16-DC060554	35,173	35,173
HOME Investment Partnerships Program	14.239	M17-DC060554	-	40,881
Subtotal			<u>104,370</u>	<u>145,251</u>
Continuum of Care Program	14.267		-	115,315
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			<u>945,995</u>	<u>1,825,302</u>
U.S. DEPARTMENT OF JUSTICE				
Passed through Board of State and Community Corrections:				
Juvenile Justice and Delinquency Prevention - Allocation to States	16.540	BSCC 396-17	19,248	22,831
Juvenile Justice and Delinquency Prevention - Allocation to States	16.540	BSCC 396-16	98,982	98,982
Subtotal			<u>118,230</u>	<u>121,813</u>
Passed through Governor's Office of Emergency Services, California:				
Crime Victim Assistance	16.575	HA15 02 0420	-	57,200
Crime Victim Assistance	16.575	UV16 02 0420	-	187,127
Crime Victim Assistance	16.575	XC16 01 0420	-	131,773
Crime Victim Assistance	16.575	XE16 01 0420	-	129,109
Crime Victim Assistance	16.575	VW16 35 0420	-	541,957
Subtotal			-	<u>1,047,166</u>
Direct Program:				
Services for Trafficking Victims	16.320	2016-VT-BX-K019	-	137,204
Services for Trafficking Victims	16.320		-	203,164
Subtotal			-	<u>340,368</u>
Passed through State Office of Criminal Justice and Planning (OCJP):				
Byrne Formula Grant Program	16.579	SF-08-A-410843	-	31,919
Direct Program:				
Edward Byrne Memorial Justice Assistance Grant (JAG) Program	16.738		-	32,899
TOTAL U.S. DEPARTMENT OF JUSTICE			<u>118,230</u>	<u>1,574,165</u>
U.S. DEPARTMENT OF LABOR				
Passed through California Employment Development Department:				
WIA/WIOA Dislocated Worker Formula Grants	17.278	K7102061	-	140,563
WIA/WIOA Dislocated Worker Formula Grants	17.278	K7102061	-	535,854
WIA/WIOA Dislocated Worker Formula Grants	17.278	K8106657	-	192,160
WIA/WIOA Dislocated Worker Formula Grants	17.278	K8106657	-	281,690
WIA/WIOA Adult Program	17.258	K8106657	-	703,527
WIA/WIOA Adult Program	17.258	K7102061	-	196,118
WIA/WIOA Youth Activities	17.259	K7102061	-	700,941
WIA/WIOA Youth Activities	17.259	K8106657	-	461,702
Subtotal - WIA/WIOA Cluster			-	<u>3,212,555</u>
WIA/WIOA Dislocated Worker National Reserve Demonstration Grants	17.280	MI-28988-16-60-A-6	-	759,822
Passed through Department of Social Services:				
Homeless Veterans Reintegration Project	17.805	Santa Barbara	-	7,000
TOTAL U.S. DEPARTMENT OF LABOR			-	<u>3,979,377</u>

See accompanying notes to the schedule of expenditures of federal awards and
the independent auditor's report on compliance for each major program and on
internal control over compliance required by the Uniform Guidance.

**COUNTY OF SANTA BARBARA, CALIFORNIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
FOR THE YEAR ENDED JUNE 30, 2018**

Federal Grantor/Pass-Through Grantor/Program Title	Catalog of Federal Domestic Assistance Number	Pass-Through Number	Passed Through to Subrecipients	Total Expenditures
U.S. DEPARTMENT OF THE INTERIOR				
Direct Programs:				
Recreation Resources Management	15.524	R13AP20020	-	1,650
TOTAL U.S. DEPARTMENT OF THE INTERIOR			-	1,650
U.S. DEPARTMENT OF TRANSPORTATION				
Direct Programs:				
Airport Improvement Program	20.106		-	1,435,326
Airport Improvement Program	20.106	WPG060243015	-	666,650
Subtotal			-	2,101,976
State and Community Highway Safety	20.600	AL1711	-	32,786
State and Community Highway Safety	20.600	AL18016	-	89,821
Passed through State of California Office of Traffic Safety:				
State and Community Highway Safety	20.600	PT1602	-	23,027
Subtotal			-	145,634
Passed through State of California Office of Traffic Safety:				
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	PT1602	-	26,987
Passed through Caltrans:				
Highway Planning and Construction	20.205	05-5951(024)	-	5,638
Highway Planning and Construction	20.205	05-5951(072)	-	74,128
Highway Planning and Construction	20.205	05-5951(082)	-	17,238
Highway Planning and Construction	20.205	05-5951(151)	-	69,998
Highway Planning and Construction	20.205	05-5951(152)	-	50,911
Highway Planning and Construction	20.205	05-5951R	-	201,199
Highway Planning and Construction	20.205	05-5951/M015	-	438,899
Highway Planning and Construction	20.205	05-5951/N054	-	133,578
Highway Planning and Construction	20.205	05-930143	-	1,500,017
Highway Planning and Construction	20.205	05-SB-0-CR	-	145,029
Highway Planning and Construction	20.205	STPLZ5951(039)	-	349
Subtotal - Highway Planning and Construction			-	2,636,984
TOTAL U.S. DEPARTMENT OF TRANSPORTATION			-	4,911,581
U.S. ENVIRONMENTAL PROTECTION AGENCY				
Passed through California Department of Public Health:				
Capitalization Grants for Drinking Water State Revolving Funds	66.468	Santa Barbara	-	91,900
TOTAL U.S. ENVIRONMENTAL PROTECTION AGENCY			-	91,900
TOTAL EXPENDITURES OF FEDERAL AWARDS EXCLUDING LOANS			\$ 1,152,157	\$ 104,306,114
<u>Federal Loan Balances With a Continuing Compliance Requirement</u>				
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Community Development Block Grants/Entitlement Grants	14.218			\$ 623,088
HOME Investment Partnerships Program	14.239			27,977,991
FEDERAL LOAN BALANCES WITH A CONTINUING COMPLIANCE REQUIREMENT				28,601,079
TOTAL EXPENDITURES OF FEDERAL AWARDS INCLUDING LOANS				\$ 132,907,193

See accompanying notes to the schedule of expenditures of federal awards and the independent auditor's report on compliance for each major program and on internal control over compliance required by the Uniform Guidance.

**COUNTY OF SANTA BARBARA, CALIFORNIA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 1 – GENERAL

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

NOTE 5 – INDIRECT COST RATE

The County has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 6 – DISCLOSURES FOR STATE GRANT

Grant revenues and expenditures by category for the fiscal year ended June 30, 2018, are as follows:

State of California Department of Insurance – Workers’ Compensation Insurance Fraud Program

Revenues:		
State	\$	343,615
Carryover from 2014/15		7
Carryover from 2016/17		31,549
		<hr/>
Total revenues	\$	<u>375,171</u>
Expenditures:		
Personnel services	\$	331,306
Operating expenditures		40,501
Equipment		3,364
		<hr/>
Total expenditures	\$	<u>375,171</u>
Net unspent as of June 30, 2018	\$	<u>-</u>

NOTE 6 – DISCLOSURES FOR STATE GRANT (Continued)

State of California Department of Insurance – Automobile Insurance Fraud Program

Revenues:		
State	\$	115,000
Carryover from 2016/17		<u>-</u>
Total revenues	\$	<u>115,000</u>
Expenditures:		
Personnel services	\$	97,318
Operating expenditures		<u>10,895</u>
Total expenditures	\$	<u>108,213</u>
Net unspent as of June 30, 2018	\$	<u>6,787</u>

NOTE 7 – LOANS OUTSTANDING

The following programs had federally-funded loans outstanding at June 30, 2018 and 2017:

Federal CFDA #	Program Title	June 30, 2018	June 30, 2017
14.218	Community Development Block Grants/Entitlement Grants	\$ 623,088	\$ 643,656
14.239	HOME Investment Partnerships Program	<u>27,977,991</u>	<u>26,959,316</u>
	Totals	<u>\$ 28,601,079</u>	<u>\$ 27,602,972</u>

NOTE 8 – FEDERAL EMERGENCY MANAGEMENT AGENCY (FEMA) PROGRAM

The County included fiscal year 2017 expenditures of \$1,975,685 in the SEFA dated June 30, 2018, for Disaster Grants – Public Assistance (Presidentially Declared Disasters), CFDA 97.036.

FINDINGS AND QUESTIONED COSTS

**COUNTY OF SANTA BARBARA, CALIFORNIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2018**

1. Summary of Auditor's Results

Financial Statements

- (a) The type of report issued on the financial statements: **Unmodified opinion.**
- (b) Significant deficiencies in internal control that were disclosed by the audit of the financial statements: **Yes. See finding 2018-FS01.**

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 findings 2018-001 through 2018-002.**

Material weaknesses: **None.**

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

1. State Administrative Matching Grants for Supplemental Nutrition Assistance Program – **Unmodified opinion.**
2. Child Support Enforcement – **Unmodified opinion.**
3. Adoptions Assistance – **Unmodified opinion.**
4. Medicaid Cluster – **Unmodified opinion.**
5. Temporary Assistance for Needy Families Cluster – **Unmodified opinion.**
6. Workforce Innovation and Opportunity Act of 2014 Cluster – **Unmodified opinion.**

- (f) Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance: **Yes. See findings 2018-001 through 2018-002.**

- (g) Major programs:

- U.S. Department of Agriculture
 - State Administrative Matching Grants for Supplemental Nutrition Assistance Program (CFDA 10.561)
- U.S. Department of Health and Human Services
 - Child Support Enforcement (CFDA No. 93.563)
 - Adoptions Assistance (CFDA No. 93.659)
 - Medical Assistance Program (CFDA No. 93.778)
 - Temporary Assistance for Needy Families (CFDA No. 93.558)
- U.S. Department of Labor
 - Workforce Innovation and Opportunity Act of 2014 Cluster (CFDA Nos. 17.258, 17.259, 17.278)

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

- (h) Low-risk auditee determination under the Uniform Guidance: **Yes.**

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

Finding 2018-FS01 – Administrative Access to FIN and the Aumentum System

Condition:

While the total number of individuals throughout the County who have been assigned the ability to administer permissions and allow/remove access within the FIN system was greatly reduced since last year, this group still includes certain individuals who are responsible for performing activities involving financial transactions.

In addition, three non-Information Technology (IT) individuals within the Auditor-Controller's Office (ACO) are assigned not only to the "Departmental FIN Administrators" group, which allows for the administration of user access permissions within an employee's designated department, but also to the "FIN Manager" group, which affords additional user administration abilities.

We also noted that two employees within the ACO and one employee within the Treasurer-Tax Collector's Office (TTC), who have ability to administer permissions and allow/remove access within the Aumentum system, are also responsible for performing activities involving financial transactions.

Finally, an established, standard procedure for removing terminated employees' access to the FIN system has not been fully implemented, and access removal methods vary between departments; Departmental FIN Administrators (DFA) may also allow user accounts belonging to terminated employees to remain active beyond terminated employees' separation date for various business-use purposes.

Effect of Condition:

This creates a potential lack of segregation of duties in that employees responsible for activities involving financial transactions are also capable of and responsible for administering IT security within the FIN and Aumentum applications. This also increases the risk that unauthorized financial transactions are processed as well as the risk that unauthorized changes are made to the system itself, including unauthorized changes to user accounts within the system. Additionally, the risk increases that user accounts may have access to system functions that are not commensurate with current job responsibilities or current functional requirements.

Recommendation:

It is recommended that the ACO continue examining the remaining user administration permissions given to the various Departmental FIN and Aumentum Administrators as well as the additional permissions assigned to non-IT ACO staff and seek to remove these permissions from any individual that performs activities related to financial transactions as part of their job responsibilities. It is also recommended that the ACO implement regularly scheduled (on an annual basis, at a minimum) reviews of user accounts belonging to ACO staff within the Active Directory domains and their associated permissions/roles and/or group memberships to ensure that the permissions assigned within the systems are appropriate for the individual's job responsibilities or functional requirements. It is finally recommended that the ACO develop an established procedure for removing terminated employees' access to the FIN system as well as its SQL databases, and that this process is used by each department and when removing access for all County employees.

Views of Responsible Officials and Planned Corrective Actions:

The County concurs. Refer to separate Corrective Action Plan Report for management's response.

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

2018-001

Program: State Administration Matching Grants for Supplemental Nutrition Assistance Program
CFDA No.: 10.561

Federal Agency: U.S. Department of Agriculture

Passed-Through: California Department of Social Services

Award Number: Santa Barbara

Award Year: Fiscal Year 2017/18

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

Questioned Costs: \$470

Criteria:

The April 2018 Uniform Guidance *Compliance Supplement* requirements for special tests and provisions require 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.

Condition Found:

Out of 40 case files selected for eligibility test work, we noted the following:

- 1 case whereby the County inaccurately calculated income by using outdated information causing an overpayment of \$466. The participant exceeded the income limit and should have received \$0.
- 1 case whereby the County inaccurately calculated income causing an overpayment of \$4.
- This is a systematic finding.

Effect:

The participants received incorrect benefit amounts.

Cause:

The income verification process incorrectly calculated the benefits, which caused an inaccurate issuance of \$470 in benefits.

Repeat Finding:

See prior year Finding 2017-001.

Recommendation:

We recommend the County adhere to established 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 also recommend the County require the benefit 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 files.

Views of Responsible Officials and Planned Corrective Actions:

The County concurs. Refer to separate Corrective Action Plan Report for management's responses.

2018-002

Program: Medical Assistance Program (Medicaid)

CFDA No.: 93.778

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

Passed-Through: California Departments of Health Care Services, Mental Health, and Social Services

Award Number: Santa Barbara

Award Year: Fiscal Year 2017/18

Compliance Requirement: Eligibility

Questioned Costs: \$0

Criteria:

The April 2018 Uniform Guidance *Compliance Supplement* requirements for eligibility state that the pass-through entity must determine whether required eligibility determinations were made, that individuals/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 40 case files selected for Medi-Cal eligibility test work, we noted the following:

- 1 case file whereby the County failed to perform a client reassessment of needs within the 12-month renewal period.
- 1 case file whereby the County failed to perform an Income Eligibility Verification System (IEVS) report during the redetermination process.

Out of the 40 case files selected for In-Home Supportive Services (IHSS) eligibility test work, we noted the following:

- 2 case files whereby the County failed to perform a client reassessment of needs within the 12-month renewal period.
- This is a systematic finding.

Effect:

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

Cause:

Reassessments are required to be completed within 12 months from the previous face to face visit. The department experienced staffing shortages during fiscal year 17/18.

Repeat Finding:

See prior year Finding 2017-003.

Recommendation:

We recommend the County adhere to established 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. This will help ensure the accuracy of the participant data and that eligibility determinations are supported by the proper documentation in the participant files.

Views of Responsible Officials and Planned Corrective Actions:

The County concurs. Refer to separate Corrective Action Plan Report for management's responses.

**COUNTY OF SANTA BARBARA, CALIFORNIA
STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2018**

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

Finding 2017-FS01 – General Ledger Access

Condition:

The ability to administer permissions and allow/remove access within the FIN system is afforded to various individuals throughout the County's various departments, and some of these individuals are responsible for performing activities involving financial transactions. Additionally, the Auditor-Controller's Office does not examine valid user accounts within Active Directory or FIN to determine whether they have been assigned the appropriate roles/permissions and/or placed within the appropriate groups within these systems. Finally, an established, standard procedure for removing terminated employees' access to the FIN system has not been developed, and access removal methods vary between departments; Departmental FIN Administrators (DFA) may also allow user accounts belonging to terminated employees to remain active beyond terminated employees' separation date for various business-use purposes.

Effect of Condition:

This creates a problematic lack of segregation of duties in that employees responsible for activities involving financial transactions are also capable of and responsible for administering Information Technology (IT) security within the FIN application. This also increases the risk that unauthorized financial transactions are processed as well as the risk that unauthorized changes are made to the system itself, including unauthorized changes to user accounts within the system. Additionally, the risk increases that user accounts may have access to system functions that are not commensurate with current job responsibilities or current functional requirements.

Recommendation:

It is recommended that the Auditor-Controller's Office examine the user administration permissions given to the various Departmental FIN Administrators as well as the additional permissions assigned to non-IT Auditor-Controller staff and seek to remove these permissions from any individual that performs activities related to financial transactions as part of their job responsibilities. It is also recommended that the Auditor-Controller's Office implement regularly scheduled (on an annual basis, at a minimum) reviews of user accounts belonging to Auditor-Controller staff within the Active Directory domains and their associated permissions/roles and/or group memberships to ensure that the permissions assigned within the systems are appropriate for the individual's job responsibilities or functional requirements. It is finally recommended that the Auditor-Controller's Office develop an established procedure for removing terminated employees' access to the FIN system as well as its SQL databases, and that this process is used by each department and when removing access for all County employees.

Views of Responsible Officials and Planned Corrective Actions:

The County concurs. Refer to separate Corrective Action Plan Report for management's responses.

Current Year Status:

Partially implemented. See current year finding 2018-FS01.

Findings and Recommendations Relating to Federal Awards

2017-001

Program: State Administration Matching Grants for Supplemental Nutrition Assistance Program

CFDA No.: 10.561

Federal Agency: U.S. Department of Agriculture

Passed-Through: California Department of Social Services

Award Number: Santa Barbara

Award Year: Fiscal Year 2016/17

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

Questioned Costs: \$278

Criteria:

The April 2017 Uniform Guidance *Compliance Supplement* requirements for special tests and provisions require 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.

Condition Found:

Out of 40 case files selected for eligibility test work, we noted the following:

- 2 cases whereby the County inaccurately issued benefit payments causing an overpayment.
- 1 case whereby the County inaccurately issued benefit payments causing an underpayment.
- This is a systematic finding.

Effect:

The participant received incorrect benefit amounts.

Cause:

The income verification process incorrectly calculated the benefits. This action caused an inaccurate-issuance of \$334 in benefits.

Repeat Finding:

See prior year Finding 2016-001.

Recommendation:

We recommend the County adhere to established 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 also recommend the County require the benefit 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 files.

Views of Responsible Officials and Planned Corrective Actions:

The County concurs. Refer to separate Corrective Action Plan Report for management's responses.

Current Year Status:

See Finding 2018-001.

2017-002

Program: Temporary Assistance for Needy Families

CFDA No.: 93.558

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 2016/17

Compliance Requirement: Eligibility

Questioned Costs: \$30

Criteria:

The April 2017 Uniform Guidance *Compliance Supplement* requirements for eligibility state that the pass-through entity must determine whether required eligibility determinations were made, that individuals/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 40 case files selected for eligibility test work, we noted the following:

- 1 case whereby the County inaccurately issued benefit payments causing an underpayment.
- This is a systematic finding.

Effect:

The participant received incorrect benefit amounts.

Cause:

The \$30 underpayment occurred because the eligibility worker erroneously used the bi-weekly income multiplier when the department processed the intake application. The applicant was receiving two checks every month so the multiplier was not appropriate. The income was re-calculated without the bi-weekly multiplier and eligibility was re-evaluated with a lower income amount.

Repeat Finding:

See prior year Finding 2016-002.

Recommendation:

We recommend the County adhere to established 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 also recommend the County require the benefit 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 files.

Views of Responsible Officials and Planned Corrective Actions:

The County concurs. Refer to separate Corrective Action Plan Report for management's responses.

Current Year Status:

Resolved.

2017-003

Program: Medical Assistance Program (Medicaid)

CFDA No.: 93.778

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

Passed-Through: California Departments of Health Care Services, Mental Health, and Social Services

Award Number: Santa Barbara

Award Year: Fiscal Year 2016/17

Compliance Requirement: Eligibility

Questioned Costs: \$0

Criteria:

The April 2017 Uniform Guidance *Compliance Supplement* requirements for eligibility state that the pass-through entity must determine whether required eligibility determinations were made, that individuals/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 40 case files selected for In-Home Supportive Services (IHSS) eligibility testwork, we noted the following:

- 2 case files whereby the County failed to perform a client reassessment of needs within the 12-month renewal period.
- These are systematic findings.

Effect:

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

Cause:

Reassessments are required to be completed within 12 months from the previous face to face visit. The department experienced staffing shortages during fiscal year 15/16.

Repeat Finding:

See prior year Finding 2016-003.

Recommendation:

We recommend the County adhere to established 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. This will help ensure the accuracy of the participant data and that eligibility determinations are supported by the proper documentation in the participant files.

Views of Responsible Officials and Planned Corrective Actions:

The County concurs. Refer to separate Corrective Action Plan Report for management's responses.

Current Year Status:

See Finding 2018-002.

**COUNTY OF SANTA BARBARA, CALIFORNIA
CORRECTIVE ACTION PLAN
YEAR ENDED JUNE 30, 2018**

I. FINANCIAL STATEMENT FINDINGS

Finding 2018-FS01 – Administrative Access to FIN and the Aumentum System

Management’s or Department’s Response:

The County concurs with the findings

Views of Responsible Officials and Corrective Action:

Regarding user administration permissions, effective October 10, 2018, all FIN Web user administration permissions have been removed from any individual that performs activities related to the financial transactions as part of their job. While the individuals with user administration permissions are able to initiate financial forms (e.g., travel claim reimbursement forms), they do not have approval or posting permissions. In addition, effective August 26, 2018, all Aumentum user administration permissions have been removed from any individual that performs property tax related transactions as part of their job.

Regarding regularly scheduled reviews of user accounts, beginning in December of 2018 after migration to the County CO domain, and each December thereafter, the Auditor-Controller’s Office (ACO) Information Technology (IT) staff will provide a listing of user accounts, permissions and roles, and group memberships to each division manager in the ACO for review and required changes.

Regarding procedures for removing terminated employees’ access to FIN Web, the ACO has notified all DFAs, CFOs, Department Heads, and Assistant Department Heads of the procedures and importance of removing access for separated employees on their actual last day of work rather than the separation date of record. Additionally, the ACO will reemphasize and review compliance periodically with the departmental CFOs at scheduled CFO Consortium meetings. The ACO has also implemented an automated process to terminate user access and approvals within FIN Web based on the separation date of record.

Regarding SQL database user accounts, the ACO has reviewed all of these accounts and removed any that are no longer necessary, including terminated employees. This review will be performed in December of each year. Additionally, the ACO will build an automated process similar to what has been done in FIN Web to remove the accounts of employees upon separation from the County. An additional mitigating control is that all individual SQL accounts on FIN databases are limited to read-only access to FIN data.

Contact Information of Responsible Official:

Theo Fallati, CPA CPFO
Auditor-Controller
County of Santa Barbara
805-568-2100

II. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

2018-001

Program: State Administration Matching Grants for Supplemental Nutrition Assistance Program

CFDA No.: 10.561

Federal Agency: U.S. Department of Agriculture

Passed-Through: California Department of Social Services

Award Number: Santa Barbara

Award Year: Fiscal Year 2017/18

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

Questioned Costs: \$470

Management’s or Department’s Response:

The County concurs with the findings.

Views of Responsible Officials and Corrective Action:

The Department acknowledges the importance of using current income when determining CalFresh benefits at the recertification. Staff will be reminded at the October 2018 CalFresh Team Meeting to utilize current income verifications at the recertification as instructed in the CalFresh Administrative Directive 15-301 “CalFresh Recertification.”

The Department acknowledges incorrect use of the multiplier causing an over-issuance of CalFresh benefits. Staff will be reminded at the October 2018 CalFresh Team Meeting to review how to apply the multiplier when calculating income as instructed in the CalFresh Administrative Directive 18-300 “Income and Budgeting.”

To increase efficiency for the CalFresh and CalWORKs programs and maximize staff resources, the Department is currently engaged in a “Workforce Optimization and Verbal Attestation” project. By March 2019, a verbal attestation process will be in place in all office locations. Verbal attestation will allow the client to “telephonically sign” documents as opposed to the time-consuming process of mailing documents for signature and awaiting their return. Use of this technology will improve processing times and also decrease unnecessary cycles of client discontinuance and reapplication, known as “churn.”

Contact Information of Responsible Official:

Maria Gardner
Deputy Director
Economic Assistance
805-346-8289

2018-002

Program: Medical Assistance Program (Medicaid)

CFDA No.: 93.778

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

Passed-Through: California Departments of Health Care Services, Mental Health, and Social Services

Award Number: Santa Barbara

Award Year: Fiscal Year 2017/18

Compliance Requirement: Eligibility

Questioned Costs: \$0

Management's or Department's Response:

The County concurs with the findings.

Views of Responsible Officials and Corrective Action:

Medi-Cal Eligibility:

The Department recognizes the importance of processing redeterminations in a timely manner and acknowledges that one redetermination was not completed within the mandated time frames. Staff will be reminded at the September 2018 Medi-Cal Team Meeting that all efforts are to be made to process redeterminations within the mandated time frames as established in the policy, Administrative Directive 15-500 "Medi-Cal Annual Renewal Process and Change of Circumstance Redetermination."

The Department acknowledges that the Income Eligibility Verification System (IEVS) report was not run timely on one case file. Staff will be reminded at the September 2018 Medi-Cal Team Meeting that for any cases that do not electronically verify during the redetermination process staff will need to request the report manually and review the IEVS report following established business processes.

To increase efficiency for the CalFresh and CalWORKs programs and maximize staff resources, the Department is currently engaged in a "Workforce Optimization and Verbal Attestation" project. By March 2019, a verbal attestation process will be in place in all office locations. Verbal attestation will allow the client to "telephonically sign" documents as opposed to the time-consuming process of mailing documents for signature and awaiting their return. Use of this technology will improve processing times and also decrease unnecessary cycles of client discontinuance and reapplication, known as "churn." This efficiency process is in review for the Medi-Cal program.

In-Home Supportive Services (IHSS) Eligibility:

One of the monthly housekeeping items at IHSS staff meetings is a reminder to staff regarding the importance of timely reassessments. Supervisors will emphasize to staff the importance of timely reassessments at their unit meetings.

Timely processing of assessments is also an individual expectation for all IHSS social workers and is an important element of their performance review. Supervisors review caseload activity and timeliness with staff during individual monthly conferences. A supervisor and worker will develop a plan to address any challenges the worker might be experiencing in keeping work timely. The supervisors strategize with each other and with staff on managing additional work created by vacancies/absences and how to best remain efficient and timely in completing all assigned work.

The Department would like to note that Santa Barbara County remains in compliance with State standard which is to process at least 80% of reassessments timely. Per State Department of Social Services (DSS), Santa Barbara County has a current average reassessment compliance rate for the fiscal year beginning July 2018 of 96%. The Department will continue to strive for no less than 100% timely-completion of annual reassessments.

Contact Information of Responsible Official:

Medi-Cal Eligibility:

Maria Gardner
Deputy Director
Economic Assistance & Employment Services
805-346-8289

IHSS Eligibility:

Amy Kruger
Deputy Director
Adult & Children Services
805-346-8351