



INTEROFFICE MEMORANDUM

Oscar J. Garcia, CPA

Auditor-Controller/Treasurer-Tax Collector

Enedina Garcia

Deputy Auditor-Controller

Frank Gomez

Deputy Treasurer-Tax Collector

DATE: May 12, 2023

TO: Audit Committee Members

FROM: Supervisor Sal Quintero, Audit Committee Chairman

SUBJECT: Audit Committee Meeting

This will confirm the next Audit Committee meeting scheduled on **May 12, 2023 at 10:00 a.m.** in the Board of Supervisors Chambers - Room 301 of the Hall of Records. The following is the agenda for the meeting:

AGENDA

1) Pledge of Allegiance

2) Approve Agenda

3) Public Presentations

This portion of the meeting is reserved for persons desiring to address the Audit Committee briefly on any matter not on this agenda within the Committee's subject matter jurisdiction.

4) Approval of January 27, 2023 Audit Committee Meeting Minutes

5) Consent Items

- a. Approve Quarterly Fraud Report covering January 1, 2023 to March 31, 2023.

6) Discussion and Action Items

- a. Review and accept the County of Fresno Single Audit Report for the year ended June 30, 2021.
- b. Review and receive Price Paige & Company Quality Control Review covering fiscal years ended June 30, 2017 through June 30, 2021.
- c. Review and approve the Proposed Audit Plan for fiscal year 2023-24.

7) Staff Updates

8) Adjournment

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Enclosures

Audit Committee Members:

Supervisor Sal Quintero, Audit Committee Chairman

Daniel C. Cederborg, County Counsel, Audit Committee Vice-Chairman

Supervisor Nathan Magsig

Paul Nerland, County Administrative Officer

Kari Gilbert, Department Heads Council Member

Manuel Vilanova, Public Member

Kulwinder Brar, Public Member

Next meeting scheduled on August 11, 2023.

**County of Fresno
Auditor-Controller/Treasurer-Tax Collector
Audit Committee Minutes
Board of Supervisors' Chambers
January 27, 2023 – 10:00 a.m.**

MEMBERS PRESENT:

Supervisor Sal Quintero, Audit Committee Chairman
Daniel C. Cederborg, County Counsel, Audit Committee Vice-Chairman
Supervisor Nathan Magsig
Paul Nerland, County Administrative Officer
Kari Gilbert, Department Heads Council Member
Manuel Vilanova, Public Member
Kulwinder Brar, Public Member

Call to Order: Chairman Quintero called to order the regular meeting of the Audit Committee (Committee) on January 27, 2023, at 10:00 a.m. in the Board of Supervisors' Chambers.

1. Pledge of Allegiance

- Enedina Garcia, Deputy Auditor-Controller, led all in attendance with the Pledge of Allegiance.

2. Approve Agenda

- A motion was made by Vice-Chairman Cederborg, seconded by Kari Gilbert, and carried 6-0 to approve the January 27, 2023 agenda.

3. Public Presentations

- This portion of the meeting is reserved for persons desiring to address the Committee briefly on any matter not on this agenda within the Committee's subject matter jurisdiction.
- There being none, the Committee proceeded to hear the next item on the agenda.

4. Approval of December 8, 2022 Audit Committee Meeting Minutes

- There being no public comments, a motion was made by Kari Gilbert, seconded by Manuel Vilanova, and carried 6-0 to approve the December 8, 2022 Audit Committee Meeting Minutes.

5. Consent Items

a) Approve Quarterly Fraud Report covering October 1, 2022 to December 31, 2022

- There being no public comments, a motion was made by Kari Gilbert, seconded by Supervisor Nathan Magsig, and carried 6-0 to approve Agenda item 5a.

6. Discussion and Action Items

a) Review and accept 2021-2022 County of Fresno Annual Comprehensive Financial Report

- Eric Xin, Engagement Partner, Brown Armstrong Accountancy Corporation, introduced and presented the item.
- Supervisor Nathan Magsig inquired about staff retention in the Financial Reporting & Audits Division.
 - Oscar J. Garcia, Auditor-Controller/Treasurer-Tax Collector, addressed staff retention, pension obligation bonds, use of money property fund & updates done to the Annual Comprehensive Financial Report.

- There being no public comments, a motion was made by Vice-chairman Cederborg, seconded by Manuel Vilanova, and carried 6-0 to approve Agenda Item 6a.
- b) Review and approve the Department of Social Services Department Head Transition Report.**
 - Karoll Diaz, Accounting & Financial Manager, Financial Reporting & Audits Division, introduced and presented the item.
 - There being no public comments, a motion was made by Kari Gilbert, seconded by Brar Kulwinder, and carried 6-0 to approve Agenda Item 6b.
- c) Review and approve the Department of Public Health Emergency Medical Services Authority (EMSA) report for the fiscal year ended June 30, 2022.**
 - Karoll Diaz, Accounting & Financial Manager, Financial Reporting & Audits Division, introduced and presented the item.
 - There being no public comments, a motion was made by Kari Gilbert, seconded by Supervisor Magsig, and carried 6-0 to approve Agenda Item 6c.
- d) Review and receive the 2021-2022 First Five Comprehensive Annual Financial Report.**
 - Luis Magallanes, Business Manager, First Five County of Fresno, introduced the item, and Osvaldo Gutierrez, Audit Manager, Price Paige & Company, presented the item.
 - Supervisor Nathan Magsig inquired about the entity's growing net position, revenues, & on-going concern.
 - Osvaldo Gutierrez, Audit Manager, Price Paige & Company, provided clarification regarding Supervisor Nathan Magsig inquiries.
 - Vice-chairman, Daniel Cederborg, asked about the lighthouse building and effect on the financial statements.
 - Osvaldo Gutierrez, Audit Manager, Price Paige & Company, provide further clarification regarding Vice-chairman's question.
 - Supervisor Sal Quintero, Chairman, asked about two empty properties and future plans for them.
 - Luis Magallanes provided future plans and possible opportunities for the properties.
 - There being no public comments, a motion was made by Brar Kulwinder, seconded by Manuel Vilanova, and carried 6-0 to approve Agenda Item 6d.

7. Staff Updates

- Oscar J. Garcia, Auditor-Controller/Treasurer-Tax Collector, introduced and thanked the Financial Reporting & Audit Division staff for their part on completing the Annual Comprehensive Financial Report.

8. Adjournment

- A motion was made by Supervisor Sal Quintero, Audit Committee Chairman, and was carried 6-0 to adjourn the meeting at 10:34 a.m.

Audit Committee Members:

Supervisor Sal Quintero, Audit Committee Chairman

Daniel C. Cederborg, County Counsel, Audit Committee Vice-Chairman

Supervisor Nathan Magsig

Paul Nerland, County Administrative Officer

Kari Gilbert, Department Heads Council Member

Manuel Vilanova, Public Member

Kulwinder Brar, Public Member


INTEROFFICE MEMORANDUM
Oscar J. Garcia, CPA
Auditor-Controller/Treasurer-Tax Collector
Enedina Garcia
 Deputy Auditor-Controller

Frank Gomez
 Deputy Treasurer-Tax Collector

DATE: May 12, 2023

TO: Audit Committee Members

FROM: Oscar J. Garcia, CPA – Auditor-Controller/Treasurer-Tax Collector

SUBJECT: Fraud Hotline Quarterly Activity Report for the Quarter Ended March 31, 2023

In accordance with the provisions of California Government Code Section 53087.6, the County of Fresno Fraud Hotline serves as a means to discover, investigate, and remediate acts of fraud, waste, or abuse involving County employees, as defined by the statute.

We have completed our quarterly report concerning the operation of the County of Fresno Fraud Hotline. This report is for the three-month period of January 1, 2023 through March 31, 2023.

We would like to acknowledge the professionalism and cooperation extended to us by the management of the various County agencies/departments during our Hotline investigation process. As always, I remain available to answer any questions you may have. Please contact me directly or Karoll Diaz, Accounting & Financial Division Manager at (559) 600-1378 or Jarry Lim, Accountant at (559) 600-1368 if we can be of any assistance.

Attachments



COUNTY OF FRESNO

FRAUD HOTLINE QUARTERLY REPORT

Administered by the Auditor-Controller/Treasurer-Tax Collector

For the Quarter Ended March 31, 2023

Director: Oscar J. Garcia, CPA
Accounting & Financial Manager: Karoll Diaz
Hotline Staff: Jarry Lim

COUNTY OF FRESNO
FRAUD HOTLINE QUARTERLY REPORT
Administered by the Auditor-Controller/Treasurer-Tax Collector
For the Quarter Ended March 31, 2023

Below is the County of Fresno Fraud Hotline activity for the period of January 1, 2023 through March 31, 2023.

1. Statistical Summary

The Financial Reporting and Audits Division received 54 Hotline allegations, complaints, or other contacts during the reporting period. Of these reports, 31 were made anonymously while 23 reports were made by individuals who identified themselves. The Hotline received 29 reports via telephone, 21 by email, and 4 by letter. These reports are categorized in Table 1.

Table 1 Statistical Summary	
Actionable Items	17
Referred Items	36
Non-Actionable Items	1
Total Allegations/Complaints	54

2. Types of Allegations/Complaints

Cases opened during the period involved various complaints and allegations such as: 1) improper use of government benefits, 2) fraudulent check alterations, and 3) management improprieties.

Actionable – County

Allegations involving individuals employed by the County and/or other related parties (i.e., vendors, contractors, etc.).

Actionable – Non-County

Allegations involving individuals and/or other entities with no known relation to the County.

Referral – County

Allegations involving issues primarily handled by other County Departments via established fraud-reporting methodologies.

**COUNTY OF FRESNO
 FRAUD HOTLINE QUARTERLY REPORT
 Administered by the Auditor-Controller/Treasurer-Tax Collector
 For the Quarter Ended March 31, 2023**

Referral – Non-County

Allegations involving issues beyond the responsibilities of the County of Fresno are referred to appropriate non-County agencies.

Non-Actionable Items

These include insufficient information and not applicable issues. Examples include failure to state sufficient facts on which to base any investigation, inquiries regarding the status of other investigations, requests for information, and wrong numbers.

Table 2 identifies the total number of cases opened during this period and detail complaint type.

Table 2 Types of New Allegations/Complaints	
Actionable – County:	1
Employee Improprieties	1
Actionable – Non-County:	16
Forged/Altered Check	16
Referral – County:	35
Welfare Fraud	30
County - Other	5
Referral – Non-County:	1
Fresno PD	1
Non-Actionable Items:	1
Not enough information	1
Total	54

COUNTY OF FRESNO
FRAUD HOTLINE QUARTERLY REPORT
Administered by the Auditor-Controller/Treasurer-Tax Collector
For the Quarter Ended March 31, 2023

3. Status of Complaints

The complaints processed by the County of Fresno Fraud Hotline include alleged behavior by an employee and/or client (i.e., timecard abuse, misuse of county assets, management improprieties, conflict of interest, and misuse of program funds). As of the end of the reporting period, there was 1 closed investigation by the County of Fresno Fraud Hotline. (See summary below)

Table 3						
Status of Complaints						
Actionable Calls	Investigation			Closed Findings		
	Ongoing	New	Closed	Substantiated	Unsubstantiated	Referral
Management						
Employee		1	1	1		
Client						
Unknown						
Total		1	1	1		

**COUNTY OF FRESNO
CALIFORNIA**

SINGLE AUDIT REPORT

**FOR THE YEAR ENDED
JUNE 30, 2021**

**COUNTY OF FRESNO
SINGLE AUDIT REPORT
FOR THE YEAR ENDED JUNE 30, 2021**

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REPORTS

**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 Members of the
Board of Supervisors
County of Fresno, 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, each major fund, and the aggregate remaining fund information of the County of Fresno (the County), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated January 26, 2022.

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) as a basis for designing 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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying schedule of findings and questioned costs, we did identify certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2021-003 to be a material weakness.

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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2021-001 and 2021-002 to be significant deficiencies.

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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

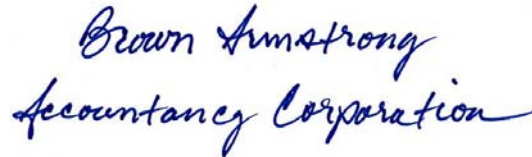
County's Responses to Findings

The County's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The County's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

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
January 26, 2022

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

The Honorable Members of the
Board of Supervisors
County of Fresno, California

Report on Compliance for Each Major Federal Program

We have audited the County of Fresno'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, 2021. 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, 2021.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2021-004, 2021-005 and 2021-006. 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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2021-004 and 2021-005 to be significant deficiencies.

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

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.

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated January 26, 2022, 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.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

*Brown Armstrong
Accountancy Corporation*

Bakersfield, California
March 10, 2023

FINANCIAL STATEMENTS

**COUNTY OF FRESNO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021**

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing Number	Supplemental Identifying Number	Passed-Through to Subrecipients	Federal Expenditures
U.S. Department of Agriculture				
Passed through State of California, Department of Food and Agriculture				
Plant and Animal Disease, Pest Control, and Animal Care	10.025	AP20PPQFO000C460	\$ -	186,293
Plant and Animal Disease, Pest Control, and Animal Care	10.025	AP20PPQFO000C001	-	563,782
Plant and Animal Disease, Pest Control, and Animal Care	10.025	AP20PPQFO000C010	-	419,778
Plant and Animal Disease, Pest Control, and Animal Care	10.025	17-8506-1317-CA	-	384,880
Plant and Animal Disease, Pest Control, and Animal Care	10.025	18-0299-000-FR	-	21,246
Subtotal			-	1,575,979
Direct Federal Programs				
Rural Housing Preservation Grants	10.433	--	-	10
Subtotal			-	10
Passed through State of California, Department of Education				
National School Lunch Program	10.555	01177-SN-10-R	-	228,712
Subtotal			-	228,712
Passed through State of California, Department of Social Services				
State Administration Matching Grant for SNAP	10.561	CFL 21/22-13	470,868	35,589,279
State Administration Matching Grant for SNAP	10.561	020:010B,015B,018B,029B,031B,038B,047B,057B,059B,	-	1,305,827
Passed through State of California, Department of Public Health				
State Administration Matching Grant for SNAP	10.561	19-10323	551,335	1,231,096
Subtotal			1,022,203	38,126,202
Direct Federal Programs				
SNAP Process and Technology Improvement Grant	10.580	--	-	72,679
Subtotal			-	72,679
Total U.S. Department of Agriculture			1,022,203	40,003,582
U.S. Department of Commerce				
Passed through State of California, Department of Commerce				
Statistical, Research, and Methodology Assistance	11.016	CCC-18-20007	-	750,932
Subtotal			-	750,932
Total U.S. Department of Commerce			-	750,932
U.S. Department of Housing and Urban Development				
Direct Federal Programs				
Community Development Block Grants	14.218	--	2,899,077	4,685,404
Subtotal			2,899,077	4,685,404
Emergency Solutions Grant Program	14.231	E-20-UW-06-0003, E-20-MW-06-0001	1,024,833	1,385,644
Subtotal			1,024,833	1,385,644
HOME Investment Partnerships Program	14.239	CALHB0654-17	-	490,006
Subtotal			-	490,006
Lead-Based Paint Hazard Control	14.900	--	-	925,746
Subtotal			-	925,746
Total U.S. Department of Housing and Urban Development			3,923,910	7,486,800

(Continued)

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 FRESNO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
FOR THE YEAR ENDED JUNE 30, 2021

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing Number	Supplemental Identifying Number	Passed-Through to Subrecipients	Federal Expenditures
U.S. Department of Justice				
Direct Federal Programs				
COVID-19 Coronavirus Emergency Supplemental Funding Program	16.034	2020-VD-BX-1798	-	110,242
Passed through State of California, Governor's Office of Emergency Services				
COVID 19 Coronavirus Emergency Supplemental Funding (20-21)	16.034	BSCC 104-20	-	390,324
Subtotal			-	500,566
Missing Children's Assistance	16.543	--	-	314,329
Subtotal			-	314,329
DNA Backlog Reduction Program	16.741	--	-	82,801
DNA Backlog Reduction Program	16.741	--	-	100,292
DNA Backlog Reduction Program	16.741	--	-	11,583
Subtotal			-	194,676
Equitable Sharing/Dept. of Justice Asset Forfeiture Program	16.922	--	-	234,500
Equitable Sharing/Dept. of Justice Asset Forfeiture Program	16.922	--	-	37,905
Subtotal			-	272,405
Passed through Bureau of Justice Assistance				
Edward Byrne Memorial Justice Assistance Grant Program	16.738		-	55,133
Edward Byrne Memorial Justice Assistance Grant Program	16.738	BSCC 612-19	-	18,221
Edward Byrne Memorial Justice Assistance Grant Program	16.738	BSCC 612-19	-	271,399
Subtotal			-	344,753
Passed through State of California, Governor's Office of Emergency Services				
Crime Victim Assistance	16.575	HA 20 03 0100	-	86,419
Crime Victim Assistance	16.575	VW 20 39 0100	-	1,466,883
Crime Victim Assistance	16.575	XC 20 03 0100	-	418,776
Crime Victim Assistance	16.575	UV 20 03 0100	-	123,548
Subtotal			-	2,095,626
Violence Against Women Formula Grants	16.588	PU 20 03 0100	-	99,582
Violence Against Women Formula Grants	16.588	VV20030100	-	224,889
Subtotal			-	324,471
National Sexual Assault Kit Initiative	16.833	2019-AK-BX-0021	-	206,529
Subtotal			-	206,529
Total U.S. Department of Justice			-	4,253,355
U.S. Department of Labor				
Passed through State of California, Department of Economic and Workforce Development				
Workforce Innovation & Opportunity Act (WIOA) Adult Program	17.258	--	-	4,706
Subtotal			-	4,706
Total U.S. Department of Labor			-	4,706
U.S. Department of Transportation				
Passed through State of California, Department of Transportation				
Highway Planning and Construction	20.205	BRLS-5942	-	1,017,093
Highway Planning and Construction	20.205	BRLO-5942	-	6,619,462
Highway Planning and Construction	20.205	HPLUL-5942	-	398,172
Highway Planning and Construction	20.205	BPMP-5942	-	1,052
Highway Planning and Construction	20.205	CML-5942	-	717,438
Highway Planning and Construction	20.205	STPL-5942	-	64,903
Highway Planning and Construction	20.205	X21-5942(306)	-	368,108
Highway Planning and Construction	20.205	HSIPL-5942	-	489,310
Highway Planning and Construction	20.205	ATPL-5942	-	2,208,682
Subtotal			-	11,884,220
Passed through Department of Transportation Federal Railroad Administration (FRA)				
High Speed Rail Corridors and Intercity Passenger Rail Service	20.319	HSR13-56	-	80,434
High Speed Rail Corridors and Intercity Passenger Rail Service	20.319	HSR13-57	-	141,408
High Speed Rail Corridors and Intercity Passenger Rail Service	20.319	HSR13-54	-	1,000,000
Subtotal			-	1,221,842
Passed through State of California, Office of Traffic Safety				
National Priority Safety Grants	20.616	DI21018	-	158,098
National Priority Safety Grants	20.616	DI20025	-	47,895
Subtotal			-	205,993
Passed through State of California, Department of Transportation Safety				
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	AL20003	-	264,638
Subtotal			-	264,638
Total U.S. Department of Transportation			-	13,576,693

(Continued)

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 FRESNO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
FOR THE YEAR ENDED JUNE 30, 2021

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing Number	Supplemental Identifying Number	Passed-Through to Subrecipients	Federal Expenditures
U.S. Department of Treasury				
Direct Federal Programs				
Equitable Sharing/Dept. of Treasury Asset Forfeiture Program	21.016	--	-	477,647
Subtotal			-	477,647
COVID-19 Coronavirus Relief Fund	21.019	20-HK00007-1	5,649,093	80,870,830
Subtotal			5,649,093	80,870,830
COVID-19 Emergency Rental Assistance	21.023	D-21-103	6,599,955	7,006,844
Subtotal			6,599,955	7,006,844
Total U.S. Department of Treasury			12,249,048	88,355,321
U.S. Institute of Museum and Library Services				
Direct Federal Programs				
Grants to States	45.310	--	-	2,266
Subtotal			-	2,266
Total U.S. Institute of Museum and Library Services			-	2,266
National Endowment for the Humanities				
Passed through California State Library				
Promotion of the Humanities	45.129	Fresno (10)	-	5,000
Subtotal			-	5,000
Total National Endowment for the Humanities			-	5,000
National Science Foundation				
Passed through California State Library				
Education and Human Resources	47.076	R795	-	480
Subtotal			-	480
Total National Science Foundation			-	480
U.S. Environmental Protection Agency				
Direct Federal Programs				
Capitalization Grants for Clean Water State Revolving Funds	66.458	SWRCB	-	166,971
Subtotal			-	166,971
Passed through California State Water Resources Control Board				
Capitalization Grants for Clean Water State Revolving Funds	66.458	WRFP-3527-030	-	704,232
Subtotal			-	704,232
Total U.S. Environmental Protection Agency			-	871,203
U.S. Election Assistance Commission				
Passed through State of California, Secretary of State				
Help America Vote Act	90.401	20G26110	-	1,392,877
Subtotal			-	1,392,877
Total U.S. Election Assistance Commission			-	1,392,877
U.S. Department of Health and Human Services				
Passed through State of California, Department of Social Services				
Special Programs for the Aging Title VIII, Chapter 3 Programs for				
Prevention of Elder Abuse, Neglect, and Exploitation	93.041	020:023B,045B,070B,082B,115B	-	670,689
Subtotal			-	670,689
Passed through State of California, Department of Public Health				
Homeland Security Grant Program	93.067	16-019	-	1,037,179
Subtotal			-	1,037,179
Public Health Emergency Preparedness	93.069	EPO 13-11	-	877,851
Subtotal			-	877,851
Passed through State of California, Department of Social Services				
Guardianship Assistance	93.090	020:504B,505B,512B,518B,536B,542B,548B,556B, 563B,568B,576B,583B,500C	-	2,162,164
Guardianship Assistance	93.090	020:020B,033B,060B,083B,093B,116B,008C	-	72,492
Subtotal			-	2,234,656

(Continued)

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 FRESNO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
FOR THE YEAR ENDED JUNE 30, 2021**

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing Number	Supplemental Identifying Number	Passed-Through to Subrecipients	Federal Expenditures
U.S. Department of Health and Human Services (Continued)				
Passed through State of California, Department of Public Health Tuberculosis Control Programs	93.116	FSIE	-	12,563
Subtotal			-	12,563
HIV-Related Training and Technical Assistance	93.145	10-95258	-	288,294
Subtotal			-	288,294
Passed through State of California, Department of Mental Health Projects for Assistance in Transition from Homelessness (PATH)	93.150	68-0317191	299,886	299,886
Subtotal			299,886	299,886
Passed through State of California, Department of Public Health Child Lead Poisoning Prevention Projects	93.197	14-10020	-	149,819
Subtotal			-	149,819
Immunization Cooperative Agreements	93.268	17-10306	-	601,701
Subtotal			-	601,701
Passed through State of California, Department of Public Health Heluna Health 20/21	93.323	HELUNA	-	99,318
Subtotal			-	99,318
Passed through State of California, Department of Public Health COVID-19 Crisis Response Funding	93.354	COVID-19-11	-	323,465
Subtotal			-	323,465
Direct Federal Programs				
Innovative State and Local Public Health Strategies to Prevent and Manage Diabetes and Heart Disease and Stroke	93.435		299,984	526,356
Subtotal			299,984	526,356
Passed through State of California, Department of Public Health Improving the Health of Americans through Prevention and Management of Diabetes and Heart Disease and Stroke	93.426	20-10704	-	25,736
Subtotal			-	25,736
State Physical Activity & Nutrition (SPAN)	93.439	18-10558	42,974	72,942
Subtotal			42,974	72,942
ACA Maternal, Infant, & Early Childhood Home Visiting Program	93.505		-	557,950
Subtotal			-	557,950
Passed through State of California, Department of Social Services Promoting Safe and Stable Families	93.556	CFL 20/21: 29,39	1,113,766	1,342,872
Subtotal			1,113,766	1,342,872
Passed through State of California, Department of Social Services				
Temporary Assistance for Needy Families	93.558	020:010B,018B,029B,038B,047B,057B,068B,080B,089B, 098B,108B,118B	-	1,514,313
Temporary Assistance for Needy Families	93.558	020:508B,509B,515B,520B,537B,543B,547B,557B,564B, 570B,577B,582B,501C	-	39,903,553
Temporary Assistance for Needy Families	93.558	020:504B,505B,512B,518B,533B,536B,542B,548B,556B, 563B,568B,576B,583B,500C	-	5,525,035
Temporary Assistance for Needy Families	93.558	020:564B,570B,582B	-	314,846
Temporary Assistance for Needy Families	93.558	CFL 20/21: 23, 84	3,290,108	58,811,170
Temporary Assistance for Needy Families	93.558	CFL 19/20-74	-	853
Temporary Assistance for Needy Families	93.558	CFL 20/21-32	-	4,501,684
Subtotal			3,290,108	110,571,454
Passed through State of California, Department of Child Support Services Child Support Enforcement	93.563	CSSI LETTER 20-05	-	17,198,400
Subtotal			-	17,198,400
Passed through State of California, Department of Social Services Refugee and Entrant Assistance_State Administered Programs	93.566	020:020B,033B,060B,093B,116B008C 020:504B,505B,512B,518B,536B,542B,548B,556B, 563B,568B,576B,583B,500C	-	2,344
Refugee and Entrant Assistance_State Administered Programs	93.566		-	18,559
Subtotal			-	20,903
Community Based Child Abuse Prevention	93.590	A-17-068	-	67,888
Subtotal			-	67,888
Adoption and Legal Guardianship Incentive	93.603	CFL 20/21-93	-	69,458
Subtotal			-	69,458
Passed through State of California, Administration for Children and Families Children's Justice Grants to States	93.643	ES20030100.ES19020100	-	272,285
Subtotal			-	272,285
Stephanie Tubbs Jones Child Welfare Services Program	93.645	CFL 20/21-32	-	644,298
Subtotal			-	644,298

(Continued)

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 FRESNO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
FOR THE YEAR ENDED JUNE 30, 2021

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing Number	Supplemental Identifying Number	Passed-Through to Subrecipients	Federal Expenditures
U.S. Department of Health and Human Services (Continued)				
Foster Care Title IV-E	93.658	CFL 20/21-52	-	352
Foster Care Title IV-E	93.658	020:003B,017B,022B,034BX,044B,049B,064B,069B, 081B,090B,103B111B,006C	416,652	15,390,207
Foster Care Title IV-E	93.658	090B,103B111B,006C	-	1,468,692
Foster Care Title IV-E	93.658	020:003B,017B,022B,034BX,064B,081B,090B,111B,006C	-	201,034
Foster Care Title IV-E	93.658	CFL 20/21-08	-	63,682
Foster Care Title IV-E	93.658	020:007B,013B,020B,033B,042B,053B,060B,083B,071B, 093B, 105B,116B,008C	-	1,839,283
Foster Care Title IV-E	93.658	020:506B,507B,514B,519B,533B,541B,546B,555BX, 560B,569B,575B,584B,586B	-	19,851,105
Foster Care Title IV-E	93.658	ACL 16-91	-	187,858
Foster Care Title IV-E	93.658	Prob IV-E & GMHV	-	564,950
Foster Care Title IV-E	93.658	Prob IV-E & GMHV	-	152,549
Foster Care Title IV-E	93.658	020:065B,085B,001C	-	21,545
Foster Care Title IV-E		020:003B,017B,022B,034BX,044B,049B,064B,069B,081B, 090B,103B111B,006C	-	317,176
Foster Care Title IV-E		020:034BX,064B,081B,006C	-	1,368
Subtotal			<u>416,652</u>	<u>40,059,801</u>
Adoption Assistance	93.659	020:504B,505B,512B,518B,536B,542B,548B,556B,563B, 568B,576B,583B,500C	-	20,359,181
Adoption Assistance	93.659	020:006B,014B,025B,036B,041B,048B,065B,074B,085B, 094B,100B,110B,001C	-	1,288,749
Subtotal			<u>-</u>	<u>21,647,930</u>
Social Services Block Grant	93.667	020:031B,092B,000C	-	6,953,812
Social Services Block Grant	93.667	CFL 20/21-32	-	2,303,872
Subtotal			<u>-</u>	<u>9,257,684</u>
Chafee Foster Care Independence Program	93.674	CFL 20/21-53	-	324,249
Subtotal			<u>-</u>	<u>324,249</u>
Passed through State of California, Department of Health Care Services Children's Health Insurance Program	93.767	Fresno (10)	-	395,784
Subtotal			<u>-</u>	<u>395,784</u>
Passed through State of California, Department of Mental Health				
Medical Assistance Program	93.778	12-89362	-	8,462,830
Medical Assistance Program	93.778	12-89362	-	674,080
Medical Assistance Program	93.778	12-89362	-	18,365,918
Medical Assistance Program	93.778	12-89362	-	51,701
Medical Assistance Program	93.778	12-89362	-	982,322
Medical Assistance Program	93.778	12-89362	-	54,136,891
Medical Assistance Program	93.778	12-89362	-	1,825,907
Passed through State of California, Department of Health Care Services				
Medical Assistance Program	93.778	A#1693570	-	984,067
Medical Assistance Program	93.778	Fresno (10)	-	3,210,346
Medical Assistance Program	93.778	Fresno (10)	-	392,387
Medical Assistance Program	93.778	Fresno (10)	-	428,649
Medical Assistance Program	93.778	Fresno (10)	-	105,313
Medical Assistance Program	93.778	Fresno (10)	-	28,091
Medical Assistance Program	93.778	MCAC 2020-21: 01,04	1,710,413	36,133,914
Passed through State of California, Department of Social Services				
Medical Assistance Program	93.778	ACL-12-63	-	15,085,651
Medical Assistance Program	93.778	CFL 20/21:24,26,85	-	11,711,702
Passed through State of California, Department of Public Health				
Medical Assistance Program	93.778	202010 Fresno	-	336,584
Medical Assistance Program	93.778	202010 Fresno	-	1,755,084
Passed through State of California, Department of Alcohol and Drug Programs				
Medical Assistance Program	93.778	10-NNA10	-	13,089,258
Medical Assistance Program	93.778	10-NNA10	-	2,501,242
Subtotal			<u>1,710,413</u>	<u>170,261,937</u>
Passed through State of California, Department of Public Health				
National Bioterrorism Hospital Preparedness Program	93.889	COVID-19-1102	-	93,029
National Bioterrorism Hospital Preparedness Program	93.889	EPO-14-11	-	277,541
National Bioterrorism Hospital Preparedness Program	93.889	17-10148	-	56,127
Subtotal			<u>-</u>	<u>426,697</u>
Direct Federal Programs				
Healthy Start Initiative	93.926	-	-	551,473
Subtotal			<u>-</u>	<u>551,473</u>
Passed through State of California, Department of Mental Health				
Block Grants for Community Mental Health Services	93.958	68-0317191	2,474,787	2,474,787
Subtotal			<u>2,474,787</u>	<u>2,474,787</u>
Passed through State of California, Department of Alcohol and Drug Programs				
Substance Abuse and Mental Health Block Grant	93.959	10-NNA10	3,769,976	4,002,561
Subtotal			<u>3,769,976</u>	<u>4,002,561</u>

(Continued)

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 FRESNO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
FOR THE YEAR ENDED JUNE 30, 2021

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing Number	Supplemental Identifying Number	Passed-Through to Subrecipients	Federal Expenditures
U.S. Department of Health and Human Services (Continued)				
Passed through State of California, Department of Public Health Maternal and Child Health Services Block Grant to the States	93.994	202010 Fresno	-	139,392
Maternal and Child Health Services Block Grant to the States	93.994	202010 Fresno	-	205,572
Subtotal			-	344,964
Total U.S. Department of Health and Human Services			13,418,546	387,713,830
U.S. Executive Office of the President				
Direct Federal Programs				
High Intensity Drug Trafficking Areas	95.001	--	-	292,704
High Intensity Drug Trafficking Areas	95.001	--	-	682,106
High Intensity Drug Trafficking Areas	95.001	--	-	95,932
Subtotal			-	1,070,742
Total U.S. Executive Office of the President			-	1,070,742
U.S. Department of Homeland Security				
Passed through State of California, Governor's Office of Emergency Services Emergency Management Performance Grant Program	97.042	OES 019-00000	-	166,823
Subtotal			-	166,823
Total U.S. Department of Homeland Security			-	166,823
TOTAL EXPENDITURES OF FEDERAL AWARDS (EXCLUDING LOANS)			30,613,707	545,654,610
<i>Federal Loan Balances with a Continuing Compliance Requirement</i>				
U.S. Department of Agriculture				
Rural Housing Preservation Grants	10.433		-	338,150
U.S. Department of Housing and Urban Development				
Community Development Block Grants	14.218		-	6,699,404
Neighborhood Stabilization Program	14.218		-	1,285,401
Home Investment Partnerships Program	14.239		-	31,225,741
Federal Loan Balances with a Continuing Compliance Requirement			-	39,548,696
TOTAL EXPENDITURES OF FEDERAL AWARDS (INCLUDING LOANS)			\$ 30,613,707	\$ 585,203,306

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 FRESNO
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021**

NOTE 1 – GENERAL

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all of the federal award programs of the County of Fresno, California, (County) for the year ended June 30, 2021. The County reporting entity is defined in Note 1 to the County's basic financial statements. Federal awards received directly from federal agencies as well as federal awards passed through other government agencies are included on the schedule.

NOTE 2 – BASIS OF ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards is prepared using the modified accrual basis of accounting, which is described in Note 1 to the County's basic financial statements.

NOTE 3 – RELATIONSHIP TO FEDERAL FINANCIAL REPORTS

Information reported in the accompanying Schedule of Expenditures of Federal Awards is in substantial agreement with the information reported in the related federal financial reports for the major federal programs.

NOTE 4 – RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

Federal award revenues are reported in the County's basic financial statements as intergovernmental revenues principally in the General and Special Revenue Funds.

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 – LOANS OUTSTANDING

The following programs had federally-funded loans outstanding at June 30, 2021 and 2020:

Assistance Listing Number	Program Title	June 30, 2021	June 30, 2020
10.433	Rural Housing Preservation Grants	\$ 338,150	\$ 337,561
14.218	Community Development Block Grants	6,699,404	6,793,821
14.218	Neighborhood Stabilization Program	1,285,401	1,579,123
14.239	Home Investment Partnerships Program	31,225,741	32,665,969
	Totals	<u>\$ 39,548,696</u>	<u>\$ 41,376,474</u>

NOTE 7 – SUBRECIPIENTS

Of the federal expenditures presented in the Schedule of Expenditures of Federal Awards, the County provided federal awards to subrecipients as follows:

Name of Program	Assistance Listing Number	Subrecipient	Amount
Supplemental Nutrition Assistance Program (SNAP)	10.561	America Works of California	\$ 470,868
Supplemental Nutrition Assistance Program (SNAP)	10.561	California Health Collaborative	219,623
Supplemental Nutrition Assistance Program (SNAP)	10.561	Fresno County Superintendent of Schools	257,098
Supplemental Nutrition Assistance Program (SNAP)	10.561	CSUF Foundation	74,614
Community Development Block Grants	14.218	Biola Community Services District	450,193
Community Development Block Grants	14.218	City of Kerman	114,339
Community Development Block Grants	14.218	Cantua Creek Wastewater Treatment Plant	318,326
Community Development Block Grants	14.218	Caruthers Community Services District	238,703
Community Development Block Grants	14.218	El Porvenir Wastewater Treatment Plant	351,839
Community Development Block Grants	14.218	City of Reedley	577,089
Community Development Block Grants	14.218	City of Selma	305,250
Community Development Block Grants	14.218	City of Tranquility	6,196
Community Development Block Grants	14.218	City of Kingsburg	17,983
Community Development Block Grants	14.218	Malaga County Water District	17,237
Community Development Block Grants	14.218	City of Huron	240,000
Community Development Block Grants	14.218	Boys & Girls Club	20,343
Community Development Block Grants	14.218	Marjaree Mason	77,521
Community Development Block Grants	14.218	City of Fowler	164,058
Emergency Solutions Grant Program	14.231	Marjaree Mason Center	660,465
Emergency Solutions Grant Program	14.231	Turning Point of Central California	143,953
Emergency Solutions Grant Program	14.231	WestCare California	220,415
Emergency Rental Assistance	21.023	RH Community Builders	6,599,955
Coronavirus Relief Fund	21.019	Community Medical Centers	2,500,000
Coronavirus Relief Fund	21.019	North Central Fire District	150,000
Coronavirus Relief Fund	21.019	City of Clovis	612,223
Coronavirus Relief Fund	21.019	City of Coalinga	136,850
Coronavirus Relief Fund	21.019	City of Firebaugh	132,505
Coronavirus Relief Fund	21.019	City of Fowler	112,362
Coronavirus Relief Fund	21.019	City of Huron	155,714
Coronavirus Relief Fund	21.019	City of Kerman	188,755
Coronavirus Relief Fund	21.019	City of Kingsburg	133,912
Coronavirus Relief Fund	21.019	City of Mendota	229,733
Coronavirus Relief Fund	21.019	City of Orange Cove	197,950
Coronavirus Relief Fund	21.019	City of Parlier	230,873
Coronavirus Relief Fund	21.019	City of Reedley	244,047
Coronavirus Relief Fund	21.019	City of Sanger	241,974
Coronavirus Relief Fund	21.019	City of San Joaquin	127,673
Coronavirus Relief Fund	21.019	City of Selma	254,522
Projects for Assistance in Transition from Homelessness (PATH)	93.150	King View	299,886
Innovative State and Local Public Health Strategies to Prevent and Manage Diabetes and Heart Disease and Stroke	93.435	Valley Health Team	299,984
State Physical Activity & Nutrition (SPAN)	93.439	California Health Collaborative	17,671
State Physical Activity & Nutrition (SPAN)	93.439	Fresno County Superintendent of Schools	25,303
Promoting Safe and Stable Families	93.556	AspiraNet	143,482
Promoting Safe and Stable Families	93.556	Centro La Familia Advocacy Services	476,032
Promoting Safe and Stable Families	93.556	Comprehensive Youth Services of Fresno	43,285
Promoting Safe and Stable Families	93.556	Exceptional Parents Unlimited	450,967
Temporary Assistance for Needy Families	93.558	Centro La Familia Advocacy Services	961,772
Temporary Assistance for Needy Families	93.558	Comprehensive Youth Services	700,996
Temporary Assistance for Needy Families	93.558	Exceptional Parents Unlimited	875,646
Temporary Assistance for Needy Families	93.558	Housing Authority of the County of Fresno	295,743
Temporary Assistance for Needy Families	93.558	RH Community Builders	81,722
Temporary Assistance for Needy Families	93.558	RH Community Builders	89,344
Temporary Assistance for Needy Families	93.558	WestCare California	28,588
Temporary Assistance for Needy Families	93.558	Westside Family Preservation Service Network	256,297
Adoption & Legal Guardianship Incentive	93.658	Hub Home Provider	30,000
CWS Basic	93.658	VMS Family Counseling Services	242,340
Emerg Childcr Brid Prog for FC	93.658	Central Valley Children's Services Network (Emerg Bridge)	51,264
Emerg Childcr Brid Prog for FC	93.658	Central Valley Children's Services Network (Emerg Bridge)	60,717
Resource Family Approval (RFA)	93.658	VMS Family Counseling Services	32,331
Maternal Child and Adolescent Health	93.778	Centro La Familia Advocacy Services	121,818
Maternal Child and Adolescent Health	93.778	Central Valley Children's Services Network	188,295
Maternal Child and Adolescent Health	93.778	Fresno County Economic Opportunities Commission	200,378
Medical Assistance Program	93.778	Exceptional Parents Unlimited	229,073
Medical Assistance Program	93.778	Reading and Beyond	463,178
Medical Assistance Program	93.778	Fresno EOC	507,671
MHBG	93.958	Various	2,474,787
Block Grant for Prevention and Treatment of Substance Abuse	93.959	California Health Collaborative	532,126
Block Grant for Prevention and Treatment of Substance Abuse	93.959	Central California Recovery, Inc.	89,633
Block Grant for Prevention and Treatment of Substance Abuse	93.959	Delta Care, Inc.	71,919
Block Grant for Prevention and Treatment of Substance Abuse	93.959	Fresno County Hispanic Commission, Inc.	359,960
Block Grant for Prevention and Treatment of Substance Abuse	93.959	Fresno New Connections, Inc.	96,631
Block Grant for Prevention and Treatment of Substance Abuse	93.959	Kings View Corporation	20,540
Block Grant for Prevention and Treatment of Substance Abuse	93.959	Mental Health Systems, Inc.	538,782
Block Grant for Prevention and Treatment of Substance Abuse	93.959	Promesa Behavioral Health	101,634
Block Grant for Prevention and Treatment of Substance Abuse	93.959	Transitions Children's Services	654
Block Grant for Prevention and Treatment of Substance Abuse	93.959	Turning Point of Central California	287,875
Block Grant for Prevention and Treatment of Substance Abuse	93.959	Westcare Of California, Inc.	1,353,499
Block Grant for Prevention and Treatment of Substance Abuse	93.959	Youth Leadership Institute	316,723
			<u>\$ 30,613,707</u>

FINDINGS AND QUESTIONED COSTS

**COUNTY OF FRESNO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2021**

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements

Type of auditor’s report issued: Unmodified

Internal control over financial reporting:

- Material weakness identified? X Yes No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? X Yes No
- Noncompliance material to financial statements noted? Yes X No

Federal Awards

Type of auditor’s report issued on compliance for major Federal programs: Unmodified

- Material weakness identified? Yes X No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? X Yes No
- Noncompliance material to federal awards? Yes X No
- Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance? X Yes No

Identification of major programs:

<u>AL Numbers</u>	<u>Name of Federal Program or Cluster</u>
14.218	Community Development Block Grants
14.239	HOME Investment Partnerships Program
21.019	COVID-19 Coronavirus Relief Fund
21.023	COVID-19 Emergency Rental Assistance
93.558	Temporary Assistance for Needy Families
93.563	Child Support Enforcement
93.667	Social Services Block Grant

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

Auditee qualified as low-risk auditee? Yes X No

SECTION II – FINANCIAL STATEMENTS FINDINGS

Finding 2021-001 – Financial Statements and Reporting Process

Criteria

In accordance with *Government Accounting Standards*, internal controls should be designed to provide reasonable assurance of achieving effective and efficient operations, reliable financial performance reporting, or compliance with applicable laws and regulations.

Condition

During our audit of the Annual Comprehensive Financial Report (ACFR), we noticed that the accounting performed across the County was decentralized and lacked consistency across Funds/Departments. This lack of consistency across all accounting, budgeting and reporting functions results in a large number of accounting, budgeting, and reporting adjustments.

Upon discussion with the County's Financial Reporting & Audits (FR&A) division staff, we noted the FR&A's process for compiling the ACFR involved 13th period accruals and adjustments that are reflected in the County's accounting system after year-end close. Based on the workpapers reviewed during the ACFR audit, it does not appear that balances are reconciled to ensure accuracy and timeliness of financial reporting data related to the 13th period accruals and adjustments. In some instances, the adjustments made after year-end for ACFR compilation purposes affect the beginning balance of the next fiscal year in the system.

Cause of Condition

The inconsistent accounting and reporting is the result of (1) fiscal staff failure to follow accounting principles generally accepted in the United States of America (U.S. GAAP) for accounting and reporting processes; (2) lack of knowledgeable supervisors over staff performing accounting, budgeting, and reporting functions; and (3) lack of County fiscal staff following the prescribed accounting, budgeting, and reporting direction as provided by the Auditor-Controller/Treasurer-Tax Collector (ACTTC) accounting and management and Accounting Standards and Procedures for Counties issued by the California State Controller's Office.

Effect of Condition

This leads to inappropriate accounting and budgetary transactions (entries) as well as financial reporting issues which leads to an inefficient use of County resources. Adherence to U.S. GAAP will result in a more cohesive accounting, budgeting, and reporting environment that will lead to direct cost savings as a result of reduced time spent correcting errors. In addition, this condition results in the ACFR preparation being delayed and costing additional time and resources to prepare ACFR-related schedules, as well as increased time and efforts spent by auditors in obtaining information that is relevant to the financial statement audit.

Recommendation

We recommend the County implement a training program for fiscal staff in all departments who are directly responsible for preparing and reviewing their respective financial information to ensure there is consistency and a sufficient knowledge base to prevent financial accounting, budgeting, and reporting obstacles. In addition, we recommend each department take direct responsibility over their fund accounting/reporting to ensure the final year-end balances are ready for ACFR presentation. We also recommend that the County properly reconcile balances as part of the ACFR preparation process to ensure accuracy and timeliness of financial reporting data in the County's accounting system.

Management Response and Corrective Action Plan

Management agrees with the finding and recommendation. Year-end processes will be reviewed to minimize the number of 13th period accruals and adjustments made. Management will ensure that any accruals and adjustments made are reflected in the workpapers provided in the ACFR compilation process. Continued in-depth training will be provided to staff during the annual Countywide Training presented by the ACTTC. The training will be recorded and available for staff to use as a reference. Lastly, communication will be disseminated to all County departments to ensure they assume responsibility over their accounting and reporting for the ACFR presentation.

Finding 2021-002 – Duplicated Receivable Accrual

Criteria

In accordance with *Government Accounting Standards*, governmental entities should establish adequate internal control procedures to ensure proper cut off and review procedures for the year end closing and accrual.

Condition

During our audit of the ACFR, we noticed that there were material differences in receivable accrual between the County's PeopleSoft general ledger details and the FR&A in Pfx Engagement. Upon further investigation, we determined that this difference was due to duplicate accrual of deposits as a result of human error.

Cause of Condition

The closing procedures currently in place did not include sufficient review of accrual items before information was provided to the external auditors. Internal controls have not been suitably designed and implemented over the financial reporting process to ensure that the timely and accurately closure of the general ledger.

Effect of Condition

This led to a material audit adjustment being proposed to the County's financial statements.

Recommendation

We recommend the County implement stronger policies and procedures to ensure that a comprehensive closing of the general ledger is performed in a timely manner, and that sufficient resources and adequate oversight are available to oversee the year-end closing procedures and preparation of the financial statement supporting schedules. We also recommend that the ACTTC strengthen its year-end closing procedures to ensure that all transactions related to the fiscal year are properly captured and recorded in the general ledger to ensure the accuracy and completeness of the financial statements. Lastly, we recommend the ACTTC provide training on an as needed basis for employees with financial reporting responsibilities.

Management Response and Corrective Action Plan

Management agrees with the finding and recommendation. Policies and procedures will be reviewed and revised at the ACTTC and department level to ensure a comprehensive closing of the general ledger is performed accurately and in a timely manner. Management will continue to work diligently to acquire and maintain the proper staffing levels and staff training to compile and present accurate and complete financial statements in a timely manner.

Finding 2021-003 – Unrecorded Loan Payable (Related to County Service Area (CSA) No. 44 and Waterworks District (WWD) No. 38) (Material Weakness)

Criteria:

In accordance with accounting principles generally accepted in the United States of America (U.S. GAAP), liabilities should be recorded when incurred.

Condition:

During our current year audit, we noted that the County of Fresno's (the County) Department of Public Works and Planning (DPW) failed to record a loan payable relating to the revolving loan grant received in the prior year from the State Water Resources Control Board.

Cause of Condition:

The DPW lacked experience and understanding of the revolving loan grant funding. In addition, the DPW was shorthanded in the accounting and financial reporting area.

Effect of Condition:

The liability was materially understated for the prior fiscal year and current fiscal year. As a result, a material adjusting journal entry was proposed, including a prior period adjustment.

Recommendation:

The DPW should provide training to the employees handling the accounting and financial reporting of the grant funding. When there are questions or complicated issues relating to the accounting and financial reporting of the grant funding, the DPW can consult with the ACTTC's Office, the grant oversight agency, or other professionals with the expertise to resolve the issues.

Management Response and Corrective Action Plan:

Management agrees with the recommendation. If resources are available, training will be provided to employees handling the accounting and financial reporting of the grant funding. If additional assistance is needed, employees will consult with the Auditor-Controller or other professionals for their expertise to resolve issues.

SECTION III – FEDERAL AWARD FINDINGS

Finding 2021-004 – Coronavirus Relief Fund Subrecipient Monitoring (Significant Deficiency)

Program: Coronavirus Relief Fund (CRF)

Assistance Listing No.: 21.019

Federal Agency: U.S. Department of the Treasury (Treasury)

Passed Through: N/A – Direct Program

Award Year: Fiscal Year 2020-2021

Compliance Requirement: Subrecipient Monitoring

Questioned Costs: \$0

Criteria

Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) §200.303 states that the non-Federal entity (County) must establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal

controls should be in compliance with guidance in “Standards for Internal Control in the Federal Government” issued by the Comptroller General of the United States or the “Internal Control Integrated Framework,” issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Per §200.331, a pass-through entity (the County) must make case-by-case determinations whether each agreement it makes for the disbursement of Federal program funds casts the party receiving the funds in the role of a subrecipient or a contractor. A pass-through entity (the County) with subrecipients is required to evaluate each subrecipient’s risk of noncompliance with Federal statutes, regulations, and the terms and conditions of the subaward for purposes of determining the appropriate subrecipient monitoring. Depending upon the pass-through entity’s assessment of risk posed by the subrecipient, the entity must develop techniques/tools to ensure proper accountability and compliance with program requirements and achievement of performance goals by the subrecipient.

In addition, §200.510(b) states that the auditee (the County) must prepare a schedule of expenditures of federal awards for the period covered by the auditee’s financial statements, which must include the total federal awards expended as determined in accordance with §200.502.

Condition

During our testing of compliance with the subrecipient monitoring requirement, we noted the County did not have formal, written subrecipient monitoring policies or procedures in place during FY 2021. In addition, management did not determine whether the agreements made by the County for the disbursement of CARES Act funds cast the party receiving the funds in the role of a subrecipient or contractor, as five out of five subrecipient samples selected for testing were missing documentation regarding the determinations.

Cause of Condition

The County’s existing internal control system is not properly designed to meet the control objectives under subrecipient monitoring.

Repeat Finding

No.

Effect of Condition

There is increased risk of noncompliance with the subrecipient monitoring requirement as set forth in the U.S. Office of Management and Budget (OMB) *Compliance Supplement*, which can jeopardize future federal funding as well as result in the payback of federal awards. In addition, as a result of the audit procedures performed, an adjustment was made to correct the overstatement of the amounts passed through to subrecipients by \$426,136.

Recommendation

We recommend the County design and implement internal control activities over the subrecipient monitoring compliance requirement under the Uniform Guidance. We also recommend the County establish policies and procedures in its determinations whether each agreement it makes for the disbursement of CARES Act funds casts the party receiving the funds in the role of a subrecipient or a contractor. Additionally, we recommend the County establish a recordkeeping system to ensure that accounting records and documentation are retained for the time period required in the statutes, regulations, and the terms and conditions applicable to the program.

Management Response and Corrective Action Plan

Management agrees with the finding and recommendation. The ACTTC's Office will work in conjunction with the County Administrative Office to implement policies, procedures, and controls over subrecipient monitoring and determining whether parties involved are contractors or subrecipients.

The County currently has a designated area where all CARES related records and documentation are kept and will be maintained for the time period required by applicable program terms and conditions, statutes, and regulations.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Finding 2021-005 – Emergency Rental Assistance Subrecipient Monitoring (Significant Deficiency)

Program: Emergency Rental Assistance (ERA)
Assistance Listing No.: 21.023
Federal Agency: U.S. Department of the Treasury (Treasury)
Passed Through: N/A – Direct Program
Award Year: Fiscal Year 2020-2021
Compliance Requirement: Subrecipient Monitoring
Questioned Costs: \$0

Criteria

Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) §200.303 states that the non-Federal entity (County) must establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in “Standards for Internal Control in the Federal Government” issued by the Controller General of the United States or the “Internal Control Integrated Framework,” issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Per §200.331, a pass-through entity (the County) must make case-by-case determinations whether each agreement it makes for the disbursement of Federal program funds casts the party receiving the funds in the role of a subrecipient or a contractor. A pass-through entity (the County) with subrecipients is required to evaluate each subrecipient’s risk of noncompliance with Federal statutes, regulations, and the terms and conditions of the subaward for purposes of determining the appropriate subrecipient monitoring. Depending upon the pass-through entity’s assessment of risk posed by the subrecipient, the entity must develop techniques/tools to ensure proper accountability and compliance with program requirements and achievement of performance goals by the subrecipient.

Condition

During our testing of compliance with the subrecipient monitoring requirement, we noted monitoring performed by the County Department of Social Services (DSS) did not provide reasonable assurance that the subrecipient complied with laws, regulations, and provisions of the grant agreement as the subrecipient sample selected for testing was missing sufficient documentation.

Cause of Condition

The County’s existing internal control system is not properly designed to meet the control objectives under subrecipient monitoring as a result of staffing issue and increased workload due to COVID pandemic.

Repeat Finding

No.

Effect of Condition

There is increased risk of noncompliance with the subrecipient monitoring requirement as set forth in the U.S. Office of Management and Budget (OMB) *Compliance Supplement*, which can jeopardize future federal funding as well as result in the payback of federal awards.

Recommendation

We recommend the County design and implement internal control activities over the subrecipient monitoring compliance requirement under the Uniform Guidance. We also recommend the County establish a recordkeeping system to ensure that accounting records and documentation are retained for the time period required in the statutes, regulations, and the terms and conditions applicable to the program.

Management Response and Corrective Action Plan

The DSS performs the following internal control activities to meet the subrecipient monitoring requirements:

- DSS has an in-depth contract compliance process and affiliated procedures as demonstrated by its Policy and Procedures Guide (PPGs) and accompany documents, established in 2019. In 2020 and 2021, the formal contract compliance procedures were temporarily suspended due to the significantly increased workload and staffing issues as a result of the COVID pandemic. However, contract monitoring was still occurring via regular monitoring meetings, in-depth financial invoice review including review of supporting financial documentation, development of a grievance process for the newly established program and completed extensive Federal monthly reports requiring program data. The DSS has since re-established the in-depth contract monitoring process and activities which includes internal control activities to ensure compliance under the Uniform Guidance. The DSS will review the recordkeeping system and quality control process to ensure all required documents are completed and retained for the required time period.
- The County's ERA program began in April 2021. As this was a new program with continually changing process as directed by the US Treasury, DSS was in weekly contact with the subrecipient on all things including policies and procedures, program implementation and reporting. Because of this weekly contact, the DSS did not hold a formal contract monitoring meeting with the subrecipient until October 2021 and followed up with meetings in early 2022. As DSS staff was in contact with the subrecipient on a weekly basis, contract monitoring was occurring regularly during the program start up stage with the formal meetings beginning in 2022.



County of Fresno

Oscar J. Garcia, CPA
Auditor-Controller/Treasurer-Tax Collector

COUNTY OF FRESNO CORRECTIVE ACTION PLAN FOR THE YEAR ENDED JUNE 30, 2021

I. FINANCIAL STATEMENT FINDINGS

Finding 2021-001 – Financial Statements and Reporting Process (Significant Deficiency)

Management's Response or Department's Response

Management agrees with the finding and recommendation.

Views of Responsible Officials and Corrective Action

Year-end processes will be reviewed to minimize the number of 13th period accruals and adjustments made. Management will ensure that any accruals and adjustments made are reflected in the workpapers provided in the ACFR compilation process. Continued in-depth training will be provided to staff during the annual Countywide Training presented by Auditor-Controller/Treasurer-Tax Collector (ACTTC). The training will be recorded and available for staff to use as a reference. Lastly, communication will be disseminated to all County departments to ensure they assume responsibility over their accounting and reporting for the ACFR presentation.

Anticipated Completion Date

August 2023

Contact Information of Responsible Official

Name: Rochelle Garcia
Title: Accounting & Financial Division Chief
Phone: 559-600-1351

Finding 2021-002 – Duplicated Receivable Accrual (Significant Deficiency)

Management's Response or Department's Response

Management agrees with the finding and recommendation.

Views of Responsible Officials and Corrective Action

Policies and procedures will be reviewed and revised at the ACTTC and department level to ensure a comprehensive closing of the general ledger is performed accurately and in a timely manner. Management will continue to work diligently to acquire and maintain the proper staffing levels and staff training to compile and present accurate and complete financial statements in a timely manner.

Anticipated Completion Date

August 2023

Contact Information of Responsible Official

Name: Rochelle Garcia
Title: Accounting & Financial Division Chief
Phone: 559-600-1351

Finding 2021-003 – Unrecorded Loan Payable (Related to County Service Area (CSA) No. 44 and Waterworks District (WWD) No. 38) (Material Weakness)

Management's Response or Department's Response

Management agrees with the finding and recommendation.

Views of Responsible Officials and Corrective Action

If resources are available, training will be provided to employees handling the accounting and financial reporting of the grant funding. If additional assistance is needed, employees will consult with the ACTTC or other professionals for their expertise to resolve issues.

Anticipated Completion Date/Completion Date

November 2022

Contact Information of Responsible Official

Name: Lemuel Asprek
Title: PWP Business Manager
Phone: 559-600-4298

Name: Rochelle Garcia
Title: Accounting & Financial Division Chief
Phone: 559-600-1351

II. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Finding 2021-004 – Coronavirus Relief Fund Subrecipient Monitoring (Significant Deficiency)

Management's Response or Department's Response

Management agrees with the finding and recommendation.

Views of Responsible Officials and Corrective Action

The ACTTC's Office will work in conjunction with the County Administrative Office to implement policies, procedures, and controls over subrecipient monitoring and determining whether parties involved are contractors or subrecipients.

The County currently has a designated area where all CARES related records and documentation are kept and will be maintained for the time period required by applicable program terms and conditions, statutes, and regulations.

Anticipated Completion Date

May 2023

Contact Information of Responsible Official

Name: Rochelle Garcia
Title: Accounting & Financial Division Chief
Phone: 559-600-1351

Finding 2021-005 – Emergency Rental Assistance (ERA) Subrecipient Monitoring (Significant Deficiency)

Management’s Response or Department’s Response

Management agrees with the finding and recommendation.

Views of Responsible Officials and Corrective Action

The County Department of Social Services (DSS) performs the following internal control activities to meet the subrecipient monitoring requirements:

- DSS has an in-depth contract compliance process and affiliated procedures as demonstrated by its Policy and Procedures Guide (PPGs) and accompany documents, established in 2019. In 2020 and 2021, the formal contract compliance procedures were temporarily suspended due to the significantly increased workload and staffing issues as a result of the COVID pandemic. However, contract monitoring was still occurring via regular monitoring meetings, in-depth financial invoice review including review of supporting financial documentation, development of a grievance process for the newly established program and completed extensive Federal monthly reports requiring program data. The DSS has since re-established the in-depth contract monitoring process and activities which includes internal control activities to ensure compliance under the Uniform Guidance. The DSS will review the recordkeeping system and quality control process to ensure all required documents are completed and retained for the required time period.
- The County’s ERA program began in April 2021. As this was a new program with continually changing process as directed by the US Treasury, DSS was in weekly contact with the subrecipient on all things including policies and procedures, program implementation and reporting. Because of this weekly contact, the DSS did not hold a formal contract monitoring meeting with the subrecipient until October 2021 and followed up with meetings in early 2022. As DSS staff was in contact with the subrecipient on a weekly basis, contract monitoring was occurring regularly during the program start up stage with the formal meetings beginning in 2022.

Anticipated Completion Date

Completed

Contact Information of Responsible Official

Name: Laura Moreno
Title: DSS Program Manager
Phone: 559-600-2335

Name: Rochelle Garcia
Title: Accounting & Financial Division Chief
Phone: 559-600-1351

**COUNTY OF FRESNO
STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2021**

FINANCIAL STATEMENTS FINDINGS

**Finding 2020-001 – Unrecorded Liabilities and Understated Construction in Progress (CIP)
(Significant Deficiency)**

Criteria

The County's Public Works and Planning Department (DPW) should design and implement internal controls over the financial reporting process to ensure that the general ledger undergoes adequate procedures to ensure the proper application of fiscal year cut-off. In addition, the direct and indirect costs related to the acquisition and placement of a capital asset in its intended location for use must be capitalized, if the costs meet the County's capitalization criteria.

Condition

During our search for unrecorded liabilities, we noted 1 of 17 transactions selected for testing was improperly excluded from accounts payable as of year-end. The transaction should have been accrued as the costs were incurred during the fiscal year even though the invoice from the vendor was received after the fiscal year-end. In addition, as the transaction met the County's established threshold value for capitalization and was related to a construction project that will be completed in a future year, the costs should have been capitalized as an addition to CIP during the fiscal year.

Cause of Condition

The closing procedures currently in place did not include sufficient review of all significant cash disbursement items made after the fiscal year-end to ensure that all significant costs incurred during the fiscal year were captured in the year-end accrual.

Effect of Condition

Lack of closing procedures and tracking of CIP resulted in a significant audit adjustment being proposed and subsequently posted to the financial statements.

Recommendation

We recommend the County strengthen its year-end closing procedures to ensure that all transactions related to the fiscal year are properly captured and recorded in the general ledger to ensure the accuracy and completeness of the financial statements. We also recommend the County provide training on an as needed basis for employees with financial reporting responsibilities.

Management Response and Corrective Action Plan

Management agrees with the finding and recommendation. Year-end processes will be reviewed to ensure all significant year-end transactions are captured. If resources allow, training will be provided to staff with financial reporting responsibilities.

Current Year Status

Implemented.

Finding 2020-002 – Financial Reporting (Related to County Service Area (CSA) No. 2, Waterworks District (WWD) No. 37, and WWD No. 41) (Significant Deficiency)

Criteria

The DPW should design and implement internal controls over the financial reporting process to ensure the following: 1) that the general ledger undergoes adequate procedures to ensure the proper application of fiscal year cut-off, 2) that the general ledger fiscal year period is closed and related financial statement supporting schedules are prepared in a timely manner allowing for a more efficient audit, and 3) that the final trial balance figures are subject to sufficient management review so that balances are presented in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Condition

During our search for unrecorded liabilities, we noted 3 of 39 samples selected were improperly excluded from accounts payable. The sampled items should have been accrued as they were for expenditures incurred during the fiscal year.

Cause of Condition

The closing procedures currently in place did not include sufficient review of accrual items before information was provided to the external auditors. Internal controls have not been suitably designed and implemented over the financial reporting process to ensure that the timely closure of the general ledger and sufficient management supervision of this process results in reliable and materially correct ending account balances.

Repeat Finding

Yes. See prior year Finding 2019-001.

Effect of Condition

Lack of closing procedures resulted in a material adjustment being proposed and subsequently posted to the financial statements of the affected CSAs.

Recommendation

We recommend the DPW implement stronger policies and procedures to ensure that a comprehensive closing of the general ledger is performed in a timely manner, and that sufficient resources and adequate oversight are available to oversee the year-end closing procedures and preparation of the financial statement supporting schedules. We also recommend that the DPW strengthen its year-end closing procedures to ensure that all transactions related to the fiscal year are properly captured and recorded in the general ledger to ensure the accuracy and completeness of the financial statements. Lastly, we recommend the DPW provide training on an as needed basis for employees with financial reporting responsibilities.

Management Response and Corrective Action Plan

Management agrees with the finding and recommendation. Year-end processes will be reviewed to ensure year-end transactions are captured. If resources allow, training will be provided to staff with financial reporting responsibilities.

Current Year Status

Implemented.

FEDERAL AWARD FINDINGS

Finding 2020-003 – Incorrect Expenditures Reported on the Schedule of Expenditures of Federal Awards (SEFA) (Material Weakness)

Program: COVID-19 Coronavirus Relief Fund (CRF)

Assistance Listing No.: 21.019

Federal Agency: U.S. Department of the Treasury

Passed Through: N/A – Direct Program

Award Year: Fiscal Year 2019-2020

Compliance Requirement: Allowable Cost/Cost Principles

Questioned Costs: None

Criteria

Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) §200.510(b) states that the auditee (the County) must prepare a SEFA for the period covered by the auditee's financial statements, which must include the total federal awards expended as determined in accordance with §200.502. In addition, §200.303 of the Uniform Guidance states that the County must establish and maintain effective internal control over the federal awards, including controls over the accuracy of program information and expenditure amounts.

Condition

During our audit procedures performed over the SEFA and CRF expenditures, it was noted that the County did not properly identify the amount expended for CRF CDFA No. 21.019 on its SEFA. The expenditures reported by the County were underreported by \$16,471,768.

Cause of Condition

The County's existing internal control system within the Auditor-Controller/Treasurer Tax Collector's (ACTTC) Office is not designed to provide an accurate and complete SEFA. The procedures currently in place did not include sufficient review of the information and supporting documentation relating to federal awards before the SEFA was provided to the external auditors. The preliminary SEFA provided by the County reported CRF expenditures of \$155,249; after material audit adjustments, CRF expenditures totaled \$16,627,017.

Repeat Finding

No.

Effect of Condition

The inability to properly identify and track federal expenditures or to detect material misstatements in the SEFA increases the likelihood that federal expenditures would not be fairly reported. There is increased risk of noncompliance with the requirements set forth in the U.S. Office of Management and Budget (OMB) *Compliance Supplement*, which can jeopardize future federal funding as well as result in the payback of federal awards.

In addition, as a result of the procedures performed over the SEFA and CRF expenditures, we proposed material audit adjustments to the County's financials issued on December 30, 2020. The County's Annual Financial Report for the fiscal year ended June 30, 2020, was restated to correct the overstatement of \$64,953,000 in Federal grant revenue and the understatement of \$64,953,000 in unearned revenue in the County's Disaster Claiming Fund; in accordance with *Government Auditing Standards*, we also reissued our report dated April 26, 2021.

Recommendation

We recommend the County's ACTTC's Office strengthen its year-end closing procedures to ensure that all transactions and federal awards related to the fiscal year are properly captured and recorded in the general ledger to ensure the accuracy and completeness of the financial statements and supplementary schedules. We also recommend that the County provide sufficient resources and adequate oversight within the ACTTC's Office to oversee the year-end closing procedures and preparation of the financial statements and supporting schedules. Lastly, we recommend the ACTTC's Office provide training on an as needed basis for employees with financial reporting responsibilities.

Management Response and Corrective Action Plan

Management agrees with the finding and recommendation. Corrective action was performed, and a restated Financial Report was issued on April 26, 2021. Year-end processes will be reviewed to ensure all significant year-end transactions are captured. During the last year, because of the pandemic and various staff being in quarantine, accounting staff was limited. Additional training will be provided to those staff with financial reporting responsibilities.

Current Year Status

Implemented.

Finding 2020-004 – Preparation of SEFA (Significant Deficiency)

Program: 1) Domestic Cannabis Eradication Suppression Program and 2) Help America Vote Act (HAVA)

Assistance Listing No.: 1) 16.XXX and 2) 90.401

Federal Agency: 1) U.S. Department of Justice and 2) U.S. Election Assistance Commission

Passed Through: 1) N/A – Direct and 2) State of California, Secretary of State

Award Year: Fiscal Year 2019-2020

Compliance Requirement: Allowable Cost/Cost Principles

Questioned Costs: None

Criteria

Title 2 U.S. CFR Part 200, §200.502 of the Uniform Guidance states that the County must establish and maintain effective internal control over the federal awards, including controls over the accuracy of program information and expenditure amounts, as well as the accuracy of CFDA numbers.

Condition

During our audit procedures performed over the SEFA, it was noted that the County did not accurately report the CFDA number for the Domestic Cannabis Eradication Suppression Program; it was incorrectly listed under CFDA No. 16.922 for Equitable Sharing on the preliminary SEFA. In addition, the County incorrectly included State expenditures of \$2,419,528 in the amount reported under HAVA CDFA No. 90.401 on its preliminary SEFA.

Cause of Condition

The County's existing internal control system within the ACTTC's Office is not designed to provide an accurate and complete SEFA. The procedures currently in place did not include sufficient review of the information and supporting documentation relating to federal awards before the SEFA was provided to the external auditors. The preliminary SEFA provided by the County reported total HAVA expenditures of \$3,549,214; after audit adjustments, HAVA expenditures totaled \$1,129,686. The CFDA number for the Domestic Cannabis Eradication Suppression Program was updated to 16.XXX on the SEFA.

Repeat Finding

No.

Effect of Condition

The SEFA, which is prepared by the County and considered supplementary information to the financial statements, is a key part of the reporting package required by the Uniform Guidance. The SEFA also serves as the primary basis that the external auditors use to determine which programs will be audited as part of the single audit; therefore, the County's responsibility for preparing an accurate and complete SEFA is critical. As a result of the condition, the major programs were redetermined to exclude the HAVA program.

Recommendation

We recommend the County's ACTTC's Office implement stronger internal controls to ensure the accuracy of program information, expenditure amounts, and CFDA numbers. We also recommend the ACTTC's Office provide training on an as needed basis for employees with financial reporting responsibilities.

Management Response and Corrective Action Plan

Management agrees with the finding and recommendation. Corrective action was performed, and a restated Financial Report was issued on April 26, 2021. Year-end processes will be reviewed to ensure all significant year-end transactions are captured. During the last year, because of the pandemic and various staff being in quarantine, accounting staff was limited. Additional training will be provided to those staff with financial reporting responsibilities.

Current Year Status

Implemented.



County of Fresno

Oscar J. Garcia, CPA

Auditor-Controller/Treasurer-Tax Collector

January 27, 2023

Fausto Hinojosa, CPA, CFE
 Price Paige & Company
 570 N. Magnolia Avenue, Suite 100
 Clovis, CA 93611

RE: Quality Control Review Findings, for fiscal years ended June 30, 2017 through June 30, 2021

Dear Mr. Hinojosa:

The County of Fresno, Auditor-Controller/Treasurer-Tax Collector's office requires a peer review every five years to ensure compliance with the Institute of Internal Auditors' (IIA) International Professional Practices Framework (IPPF) Standard 1312. We are pleased that you found that our system is suitably designed and operating effectively to provide reasonable assurance of conformance with the Standards used for internal audit engagements during the period audited.

Our office is committed to continuously improving our audit processes. We appreciate the observations made regarding instances of non-compliance with the Standards. Please find below our response to each of the findings:

Finding 1 – Reporting

- a. One compliance audit report issued did not have a conclusion expressed. The "Conclusion" section of the report had language regarding the standards that were followed in performing the audit but no language about whether the Department of Social Services had complied in all material respects with the applicable compliance requirements. Additionally, the section titled "View of Responsible Officials" instead addressed the "Findings and Recommendations" section of the report.
- b. Two compliance audits and one transition review had signed engagement letters with the departments stating that the engagements would be performed in accordance with the Institute of Internal Auditor's (IIA) Standards. However, the reports in all three cases did not reference the IIA Standards.
- c. Four of the engagements reviewed included findings that resulted from the audit work performed. The findings did not always include sufficient context and were not presented in the standard

format which includes the following components: Condition, Effect, Cause, Criteria, Recommendation. The findings included some of these components but should have been developed more fully.

County Response 1- Reporting: We concur with your findings and recommendations.

- a. Our office will ensure that prior to finalizing any audit report, the various sections of the report will be thoroughly reviewed by the chief of the division in addition to the audit manager and audit staff to ensure each section is addressed appropriately and includes the appropriate content.
- b. Prior to the start of this peer review, our office revised our audit reports to incorporate language stating that the engagements will be performed in accordance with the Institute of Internal Auditor's (IIA) Standards.
- c. Our office will modify the current format for our findings and use the recommended standard components such as Condition, Effect, Cause, Criteria, and Recommendation. We will also ensure that each component has sufficient context that will be useful to the users.

Finding 2 – Documentation

- a. The documentation for one compliance audit included several practice aids that were not completed by the audit staff. Further, the audit identified significant control deficiencies, but it was unclear if the scope of substantive testing procedures was expanded as a result of the increased risk posed by weak internal controls. Finally, the planning memo indicated that, "fraud was found in payroll overtime" but there was no documentation of further procedures or mention of fraud in the final report that was issued to the department.
- b. One agreed-upon procedures engagement had a representation letter from the department that did not clearly state the departments responsibility for compliance with the subject matter as required by professional standards.

County Response 2 – Documentation: We concur with your findings and recommendations.

- a. Our office will take a closer look at our documentation processes and ensure that the auditing procedures applied are documented properly and support all observations and conclusions. We will also ensure that any audit work papers, or practice aids not used in connection with the audit are excluded from the audit file and only include work papers with data that are relevant, complete, and accurate.

With regard to the control deficiencies identified in one of the audits, we acknowledge that substantive procedures should be performed when weak internal controls are identified. We also acknowledge that even when a substantive approach is used during an audit, additional substantive procedures may be necessary when fraud is possible due to internal control weaknesses.

- b. Prior to the start of this peer review, our office revised our agreed-upon procedures report to state the department's responsibility for compliance with the subject matter as required by professional standards.

We would like to thank you and your office for conducting this peer review. We appreciate you sharing your insights and perspectives on our audit processes.

Sincerely,



Oscar J. Garcia, CPA
Auditor-Controller/Treasurer-Tax Collector

OJG:kd



January 27, 2023

Mr. Oscar J. Garcia
Fresno County Auditor/Controller-Treasurer/Tax Collector
P.O. Box 1247
Fresno, California 93715

Dear Mr. Garcia,

We have completed a quality control review of the Financial Reporting & Audits Division internal auditing practice for the five fiscal years ended June 30, 2021. In conducting our review of the seven engagements, we utilized the standards and guidelines contained in various AICPA Peer Review checklists and practice aids. Our work however was conducted in accordance with the AICPA Statements on Standards for Consulting Services.

We reviewed the engagement workpapers and related quality control system of your audit organization and conducted tests in order to determine if your internal quality control system operated to provide reasonable assurance of conformance with International Standards for the Professional Practice of Internal Auditing (the Standards). Due to variances in individual performance and judgment, conformance does not imply adherence to the Standards in every case, but does imply adherence in most situations.

Based on the results of our review, it is our opinion that the Financial Reporting and Audits Division internal quality control system was suitably designed and operating effectively to provide reasonable assurance of conformance with the above identified Standards for internal audit engagements during the July 1, 2016 through June 30, 2021 period.

However, our quality control review identified certain instances of non-compliance with the Standards which are detailed in the attached Schedule of Findings. These instances of non-compliance do not affect our opinion.

Price Paige & Company

Price Paige & Company
Clovis, California

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Clovis, CA 93611

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County of Fresno
Quality Control Review Findings
Fiscal years ended June 30, 2017 through June 30, 2021

1. Reporting

- a) One compliance audit report issued did not have a conclusion expressed. The “Conclusion” section of the report had language regarding the standards that were followed in performing the audit but no language about whether the Department of Social Services had complied in all material respects with the applicable compliance requirements. Additionally, the section titled “View of Responsible Officials” instead addressed the “Findings and Recommendations” section of the report.
- b) Two compliance audits and one transition review had signed engagement letters with the departments stating that the engagements would be performed in accordance with the Institute of Internal Auditor’s (IIA) Standards. However, the reports in all three cases did not reference the IIA Standards.
- c) Four of the engagements reviewed included findings that resulted from the audit work performed. The findings did not always include sufficient context and were not presented in the standard format which includes the following components: Condition, Effect, Cause, Criteria, Recommendation. The findings included some of these components but should have been developed more fully.

2. Documentation

- a) The documentation for one compliance audit included several practice aids that were not completed by the audit staff. Further, the audit identified significant control deficiencies, but it was unclear if the scope of substantive testing procedures was expanded as a result of the increased risk posed by weak internal controls. Finally, the planning memo indicated that, “fraud was found in payroll overtime” but there was no documentation of further procedures or mention of fraud in the final report that was issued to the department.
- b) One agreed-upon procedures engagement had a representation letter from the department that did not clearly state the departments responsibility for compliance with the subject matter as required by professional standards.

**County of Fresno
Auditor-Controller/Treasurer-Tax Collector
Audit Plan for Fiscal Year 2023-24**

The rankings are based in part on a risk assessment questionnaire sent out by the Auditor-Controller/ Treasurer-Tax Collector's Office (ACTTC) to each department, financial analysis of PeopleSoft activities, prior year analysis, ACTTC experience throughout the year, and random selection.

High Risk Departments and Business Cycles

<u>Department</u>	<u>Business Cycle</u>
Social Services	Cash Receipts
Social Services	Assets (Capital and Sensitive)
ISD (Facility)	Cash Disbursements
ISD (Facility)	Fee Generated Revenue
ISD (Facility)	Assets (Capital and Sensitive)

Additional Eight Riskiest Departments and Business Cycles

These department and business cycles are considered medium risk. Inclusion in the audit plan will be at the discretion of the Audit Committee.

<u>Department</u>	<u>Business Cycle</u>
Public Health	Cash Disbursement
Resources (PWP)	Cash Receipts
Library	Cash Receipts
American Avenue Disposal (PWP)	Cash Disbursement
ISD (Fleet)	Fee Generated Revenue
County Clerk	Payroll

Transition Reviews

The purpose of the review is to account for all property under the control of the existing County officer as well as to determine the department's compliance with established internal controls, policies and procedures. Based on past experience and current County environment, we expect to perform at least two transition reviews during Fiscal Year 2023-24 and project to use 250 staff hours per transition review.

Follow-up Audits

The purpose of these audits will be to ensure that any recommendations and corrective actions that result from audits are implemented in a timely manner. These follow-up audits will occur six months from the issuance of the original audit report. We expect to use 400 staff hours for follow-up audits.

County of Fresno Internal Audit Plan

Fiscal Year 2023-24

Auditor-Controller/Treasurer-Tax Collector



**County of Fresno Internal Audit Plan
Fiscal Year 2023-24
Auditor-Controller/Treasurer-Tax Collector**

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**County of Fresno Internal Audit Plan
Fiscal Year 2023-24
Auditor-Controller/Treasurer-Tax Collector**

Introduction

The Auditor-Controller/Treasurer-Tax Collector's (ACTTC) Financial Reporting and Audits Division (FR&A) prepares the County's Annual Comprehensive Financial Report (ACFR) and provides a variety of accounting and financial reporting services for various funds, other governmental entities, and Fresno County as a whole. FR&A is also responsible for the internal audit function of the County. FR&A currently has 3 accountants and 1 accounting and financial manager dedicated to internal audit activities.

The plan for internal auditing allocates 7,575 productive hours to auditing tasks. Productive hours are staff hours net of anticipated leave, county holidays, new employee training, general administrative tasks, and 40 hours of continuing professional education training for each staff member. FR&A is committed to meeting and, whenever possible, exceeding professional training standards for staff.

FR&A has continued its implementation of standards promulgated by the Institute of Internal Auditors (IIA). Consistent with professional requirements and audit standards, a risk-based approach is applied to departmental financial transactions and operations, along with program compliance requirements, to determine the base work plan of what will be audited or reviewed during the current year. Objective information pertaining to the various risks is evaluated and weighed. However, auditors also use professional judgment and skepticism to ensure that resources are focused in the areas deemed the highest risk to the County.

The Internal Audit Plan is designed to be dynamic and responsive to staff level changes, the focus of leadership, and other factors that may guide the audit priorities of the County. This flexibility helps us to meet emerging and critical issues evolving in the upcoming year.

Objectives and Goals

FR&A's overall objective is to provide high quality, independent, accurate, and objective information in accordance with professional standards that support the following assertions:

- County resources are safeguarded against waste, misuse, and loss.
- Appropriate and accurate data is maintained and fairly disclosed.
- Financial processes have been appropriately designed, documented, and implemented.
- The County is compliant with applicable laws and regulations including its own policies.

FR&A places high importance on assisting with the improvement of County fiscal processes. Additionally, the FR&A division is committed to its own continuous process improvement aimed at streamlining and improving audit procedures. Audit work papers and reports are compiled and organized in electronic files.

**County of Fresno Internal Audit Plan
Fiscal Year 2023-24
Auditor-Controller/Treasurer-Tax Collector**

Fiscal Year 2023-24 Internal Audit Plan Summary:

Audit Projects

Discretionary Engagements	4,300
Transition Reviews	500
Follow-up Audits	400
Completing engagements started in FY 22/23	400

Other Audit Activity

Annual Audit Plan/Countywide Risk Assessment	200
Audit Committee Quarterly Meeting Preparation and Follow-up	200
Fraud Hotline Administration/Investigations	350
Assistance Provided to the External Auditors	300
Quality Assurance and Improvement Program/Peer Review	375
Year-end Audit Procedures	300
Cash Shortage Monitoring/Investigations	<u>250</u>

Total Internal Audit Plan hours	<u>7,575</u>
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Staff with responsibilities for other accounting and reporting services will not be assigned to audit areas in which their independence or the appearance of independence may be impaired.

The individual components of this plan are outlined in greater detail throughout the remainder of this document.

Fiscal Year 2023-24 Internal Audit Plan Detail

1. Discretionary Engagements

Each year, certain departments and/or Special Districts will be scheduled for an audit either at the discretion of the ACTTC or Audit Committee, or as a result of risk assessment processes and procedures conducted by FR&A staff. Departments with higher risk overall or departments with business processes seen as having higher inherent risk, compared to other departments and processes, will be allotted a greater percentage of the discretionary audit hours available.

Pursuant to the risk assessment process, FR&A staff have determined a variety of specific scope audit projects. Each of the projects will have specified objectives and scope in order to utilize resources in the areas of highest risk.

**County of Fresno Internal Audit Plan
Fiscal Year 2023-24
Auditor-Controller/Treasurer-Tax Collector**

The following is the Fiscal Year 2023-24 schedule for Discretionary Engagements:

Social Services Cash Receipts	350
Social Services Assets (Capital and Sensitive)	300
ISD (Facility) Cash Disbursement	350
ISD (Facility) Fee Generated Revenue	350
ISD (Facility) Assets (Capital and Sensitive)	300
Other Discretionary Engagements (TBD)	2,150
Continuous Monitoring – Payroll Certification	500
Total Discretionary Engagement hours	<u>4,300</u>

2. Transition Reviews

Government Code Section 24051 and County Management Directive Section 418 direct the Internal Audit Unit to perform a Transitional Review when one official departs, and another assumes office.

A departmental transition review is limited in scope. The purpose of the review is to account for all property under the control of the existing County officer as well as to determine the department’s compliance with established internal controls, policies, and procedures. The review will include determining the status of prior audit recommendations, accounting for cash, trust and clearing funds, fixed assets, receipts, warrants, and accounts receivable.

A limited amount of audit time is budgeted for this function each year. In the event no officials are expected to change offices, this time will be applied later in the year toward discretionary engagements. Based on the current County environment, we predict that we will perform at least two transition reviews during Fiscal Year 2023-24 and have budgeted 250 hours per transition review.

The following is the Fiscal Year 2023-24 schedule for Transition Reviews:

Total Transition Review hours	<u>500</u>
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3. Follow-up Engagements

As part of the implementation of IIA Standards, the Internal Audit function will be performing follow-up engagements for those audits performed that result in any findings being issued. The purpose of these engagements will be to ensure that any recommendations or findings are implemented in a timely manner. These follow-up engagements will occur six months from the issuance of the original report.

**County of Fresno Internal Audit Plan
Fiscal Year 2023-24
Auditor-Controller/Treasurer-Tax Collector**

Thus, it is important for Audit Committee members to review findings and recommendations within the various reports closely, as these approved reports become the basis of the follow-up engagements.

The following is the Fiscal Year 2023-24 schedule for Follow-up Audits:

Total Follow-up Audit hours 400

4. Completing Engagements Started during FY 22/23

Due to staff changes, and improvements in audit process and work paper structure, content, and formatting, three engagements that were started in FY 22/23 will be completed in FY 23/24.

Total Completing Audits started in FY 22/23 hours 400

5. Audit Plan/Countywide Risk Assessment

The Internal Audit Unit performs a Countywide Risk Assessment annually on which the plan for discretionary audits is based. The risk assessment will also be utilized to determine other procedures and/or engagements as appropriate.

Discretionary Audits will be determined based on the Risk Assessment Questionnaire, with accompanying analysis of financial information of County of Fresno Departments focusing on seven (7) business cycles: Cash Receipts, Cash Disbursements, Payroll, Assets (Capital and Sensitive), Fee Generated Revenue, Revolving Funds, and Fiduciary Funds. Risk scores are determined for each department in each of the seven business cycles. Those with the highest risk scores will be considered for further audit activity.

The risk assessment is developed by sending out questionnaires to department managers, making inquiries, directly observing, and otherwise evaluating evidence pertaining to financial transaction risks in each department. Further input may be obtained through meetings with members of the Board of Supervisors, the Audit Committee, and the County Administrative Office. Departmental Work Plans, Board of Supervisors' minutes, and any other appropriate documentation will be reviewed for relevant information.

Additional factors affecting the risk assessment include the environment, the impact and volume of financial activity, history collected from departments during prior internal and external audits, the inherent risk of certain financial transactions, and prior audit coverage. All factors including auditors' judgment will be considered and weighed in making the assessment.

**County of Fresno Internal Audit Plan
Fiscal Year 2023-24
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To determine the appropriate risk category, the following criteria will be considered and evaluated:

Department/Agency Changes: The Department/Agency changes criteria includes significant changes in funding, functions, systems (accounting software), key positions and/or responsibilities of the department, management turnover, and staff turnover in the seven business cycle areas listed below:

1. Assets (Capital and Sensitive)
2. Cash Disbursements
3. Cash Receipts
4. Fee Generated Revenue
5. Fiduciary Funds
6. Payroll
7. Revolving Funds

Financial Activity: Financial activity concerns the volume of transactions as well as the overall impact on the County of Fresno financial statements, i.e., the percentage change in the seven business cycles listed above in comparison to the percentage changes of all other departments.

Operating Environment: Operating environment risks include major changes in policies and procedures, degree of confidentiality of information produced or handled, instances of misappropriation of County funds or assets; computer abuse or data loss, and the extent to which the department handles cash.

Last Audit: Last audit items consider the date the department was last audited and any significant findings from previous audits.

Individual accounting, reporting, and operational processes in each department are evaluated on the preceding criteria. The information gathered as a result of this evaluation is utilized to rate the level of risk associated with each of the department's processes.

The following is the Fiscal Year 2023-24 schedule for Audit Plan/Countywide Risk Assessment:

Total Countywide Risk Assessment hours	<u>200</u>
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6. Audit Committee Meetings (Quarterly)

The responsibility of the Auditor-Controller/Treasurer-Tax Collector is to serve as staff to the Audit Committee. The Audit Committee is composed of seven (7) members and meets on a quarterly basis. Some of the responsibilities of the Audit Committee are to oversee the establishment and maintenance of the County's internal control structure, review audit results of

County of Fresno Internal Audit Plan
Fiscal Year 2023-24
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County programs, and oversee and monitor County compliance with pertinent laws and regulations. The FR&A Internal Audit team is responsible for preparing the agenda, materials, and distribution memo for each of the quarterly Audit Committee meetings. The internal audit team monitors the departmental response and participation that is expected for engagement reports that are presented to the committee. The audit team also attends the meetings, prepares the minutes, and completes any follow-up tasks as assigned by the committee.

Total Audit Committee Preparation and Follow-up hours 200

7. Fraud Hotline Administration

The Fraud Hotline was established in June of 2004 and provides County employees and citizens a way to report fraudulent activity and misuse of County resources by County of Fresno government employees, managers, vendors and contractors. Those who report are not required to identify themselves.

The Fraud Hotline is part of an ongoing effort to detect and prevent fraud. FR&A monitors Fraud Hotline contacts, dispersing complaints and information to various departments and other fraud investigators such as the Welfare Fraud Unit. Information and complaints received are carefully tracked and reported. FR&A follows up on actionable complaints to ensure there is an appropriate resolution to each. Fraud Hotline activity is summarized and reported to the Audit Committee quarterly. Depending on the situation, FR&A may directly investigate a complaint.

The following is the Fiscal Year 2023-24 schedule for Fraud Hotline Administration:

Total Fraud Hotline Administration hours 350

8. Assistance Provided to the External Auditors

Government Code 26920 requires that, quarterly at a minimum, the County auditor perform or cause to be performed, a review of the Treasurer’s Statement of Assets in the County treasury. The ACTTC contracts this responsibility to the County’s external auditor because of their independence. Under the supervision of the external auditors, FR&A staff members assist in reviewing and reconciling the Treasurer’s Statement of Assets quarterly. Additionally, depending on the needs of the external auditors, FR&A staff members assist with the performance of the annual Single Audit.

The following is the Fiscal Year 2023-24 schedule of Assistance provided to the External Auditors:

Single Audit Staff Assistance	200
Treasury Cash Count Hours	<u>100</u>
Total Assistance Provided to the External Auditors	<u>300</u>

**County of Fresno Internal Audit Plan
Fiscal Year 2023-24
Auditor-Controller/Treasurer-Tax Collector**

9. Quality Assurance and Improvement Program/Peer Review/Tracking

The Internal Audit team is responsible for the Quality Assurance and Improvement Program (QAIP) monitoring. As required by the IIA standards, the division must develop and maintain a QAIP which covers all aspects of the internal audit activity. The QAIP is designed to provide reasonable assurance to the various stakeholders of the internal audit activity that internal audit staff 1) perform attest work in accordance with its charter, which is consistent with the IIA standards, definition of internal auditing, and code of ethics, 2) operates in an effective and efficient manner, and 3) is perceived by stakeholders as adding value and improving internal audit's operations.

The Internal Audit Unit shall obtain a professional peer review in compliance with the professional standards promulgated by the IIA. Per IIA standards, the peer review shall be obtained at a minimum of once every five years. The most recent peer review was completed on November 21, 2022. This peer review was conducted by Price Paige & Company Accountancy Corporation for the fiscal years ended June 30, 2017 through June 30, 2021.

The following is the Fiscal Year 2023-24 schedule of Audit Quality Assurance/ Committee/ Peer Review/ Tracking:

Audit Quality Assurance	150
Peer Review	150
Tracking	<u>75</u>
Total Assistance Provided to this category	<u>375</u>

10. Year-End Audit Procedures

As a measure of bolstering the control structure of the County, as well as improving financial reporting, FR&A staff members are tasked with performing certain year-end procedures related to cash, inventory, and capital assets countywide. Staff members perform year-end counts of various cash funds, as well as accompany numerous departments' staff on their counts of significant inventory areas and capital assets. This aids in ensuring an accurate accounting of these assets, for purposes of both asset control and proper financial reporting.

The following is the Fiscal Year 2023-24 schedule of Year-End Audit Procedures:

Total Year-End Audit Procedures hours	<u>300</u>
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11. Cash Shortages and Overages Tracking and Investigation

The County of Fresno's Cash Manual gives ACTTC authority to manage cash shortages within the County of Fresno. Reimbursement requests for cash shortages of less than \$500 for a single incident are approved by the ACTTC. If the shortage is \$500 or more, the ACTTC must submit a report of the investigation to the Board of Supervisors with a recommendation

**County of Fresno Internal Audit Plan
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of whether to replenish the shortage, and the Board may determine to replenish the shortage. Departments are required to report cash shortages and overages to FR&A on a monthly basis. This reporting is tracked, and departments are contacted if they fail to report in a particular month.

The ACTTC has placed responsibility for administration and investigation of cash shortages with FR&A. FR&A processes notifications and determines which shortages to investigate. After reviewing and processing each shortage, FR&A recommends an action on the replenishment of shorted cash funds.

The following is the Fiscal Year 2023-24 schedule for Cash Shortage Investigations:

Total Cash Overage/Shortage Tracking and Investigation hours 250

Conclusion

County executive management is responsible for establishing and maintaining the internal control processes of the County. These systems safeguard the County's assets and resources and provide for effective financial oversight and recordkeeping. Management relies on these systems and processes in managing the complexities of the government. FR&A continues to support the Board of Supervisors and the County's Executive Management in testing and reporting on their internal control systems and processes and attesting to the county's reporting. FR&A will continue to contribute to protecting and safeguarding the county's resources and assets.