

County of Lassen

Susanville, California

Single Audit Reports

For the year ended June 30, 2011

C&L
Caporicci & Larson, Inc.
A Subsidiary of Marcum LLP
Certified Public Accountants

**County of Lassen
Single Audit Reports
For the year ended June 30, 2011**

Table of Contents

	<u>Page</u>
Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	1
Independent Auditors' Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control over Compliance and the Schedule of Expenditures of Federal Awards in Accordance with OMB Circular A-133	3
Schedule of Expenditures of Federal Awards	6
Notes to the Schedule of Expenditures of Federal Awards.....	9
Schedule of Findings and Questioned Costs	11
Supplemental Schedule of California Emergency Management Agency Grant Expenditures.....	20



Caporicci & Larson, Inc.
A Subsidiary of Marcum LLP
Certified Public Accountants

**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**

To the Board of Supervisors
of the County of Lassen
Susanville, California

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County of Lassen, California (County), as of and for the year ended June 30, 2011, which collectively comprise the County's basic financial statements and have issued our report thereon dated January 18, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

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

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

To the Board of Supervisors
of the County of Lassen
Susanville, California
Page 2

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, the Board of Supervisors, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Caporicci & Larson, Inc.

Caporicci & Larson, Inc.
A Subsidiary of Marcum LLP
Certified Public Accountants
San Francisco, California
January 18, 2012



Caporicci & Larson, Inc.
A Subsidiary of Marcum LLP
Certified Public Accountants

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM
AND INTERNAL CONTROL OVER COMPLIANCE AND THE SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS IN ACCORDANCE WITH OMB CIRCULAR A-133**

To the Board of Supervisors
of the County of Lassen
Susanville, California

Compliance

We have audited County of Lassen's (the "County") compliance with the types of compliance requirements described in the *OMB Circular A-133 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, 2011. The County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the County's compliance with those requirements.

In our opinion, the County complied, in all material respects, with the 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, 2011.

Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be *material weaknesses*, as defined above. However, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies as described in the accompanying schedule of findings and questioned costs as item SA 2011-01. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

The County's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the County's response and, accordingly, we express no opinion on the response.

To the Board of Supervisors
of the County of Lassen
Susanville, California
Page 3

Schedule of Expenditures of Federal Awards and Supplemental Schedule

We have audited the basic financial statements of the government 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, 2011, and have issued our report thereon dated January 18, 2012. Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the County's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. The Supplemental Schedule of California Emergency Management Agency Grant Expenditures is presented for purposes of additional analysis as required by the California Emergency Management Agency grant. Such information is the responsibility of management and was derived from and directly relates to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as whole.

This report is intended solely for the information and use of management, the Board of Supervisors, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Caporicci & Larson, Inc.

Caporicci & Larson, Inc.
A Subsidiary of Marcum LLP
Certified Public Accountants
San Francisco, California
January 18, 2012

County of Lassen
Schedule of Expenditures of Federal Awards
For the year ended June 30, 2011

Federal Grantor/Pass-Through Grantor Program Title	CFDA Number	Program and/or Pass-Through Number	Federal Expenditures
U.S. Department of Agriculture			
Passed through the State Department of Social Services:			
SNAP Cluster			
Supplemental Nutrition Assistance Program	10.551	09/10-12E	\$ 5,231,311
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	09/10-12E	<u>309,042</u>
Total SNAP Cluster			<u>5,540,353</u>
Passed through the State Controller's Office:			
Schools and Roads Cluster			
Schools and Roads - Grants to Counties	10.666	-	<u>210,493</u>
Total Schools and Roads Cluster			<u>210,493</u>
Total U.S. Department of Agriculture			<u>5,750,846</u>
U.S. Department of the Interior:			
Direct Programs:			
Recreation Resource Management	15.225	-	20,000
Payments in Lieu of Taxes	15.226	-	1,091,654
Distribution of Receipts to State and Local Government	15.227	-	<u>6,814</u>
Total U.S. Department of the Interior			<u>1,118,468</u>
U.S. Department of Justice:			
Passed through California Emergency Management Agency:			
Crime Victim Assistance	16.575	VW08160180	47,096
JAG Program Cluster			
ARRA-Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants to States and Territories	16.803	2009-sb-b9-1012	19,885
Drug Enforcement Unit CalEMA	16.803	Z0-09-01-0180	137,313
Evidence Based Probation Supervision Program	16.803	ZP09010180	36,634
Offender Treatment Recovery Act Program	16.803	ZP09010180	<u>95,810</u>
Total JAG Program Cluster			<u>289,642</u>
Total U.S. Department of Justice			<u>336,738</u>

County of Lassen
Schedule of Expenditures of Federal Awards
For the year ended June 30, 2011

Federal Grantor/Pass-Through Grantor Program Title	CFDA Number	Program and/or Pass-Through Number	Federal Expenditures
U.S. Department of Transportation:			
Direct Program			
Highway Planning and Construction Cluster			
Highway Planning and Construction	20.205	-	1,484,276
ARRA-Highway Planning and Construction	20.205	-	<u>28,000</u>
Total Highway Planning and Construction Cluster			<u>1,512,276</u>
Total U.S. Department of Transportation			<u>1,512,276</u>
U.S. Department of Health & Human Services:			
Passed through State Department of Social Services:			
Promoting Safe and Stable Families	93.556	-	19,647
TANF Cluster			
Temporary Assistance for Needy Families	93.558	-	1,829,635
Child Welfare Services - State Grants	93.645	-	246,566
Foster Care - Title IV-E	93.658	-	366,141
ARRA-Foster Care - Title IV-E Probation	93.658	-	<u>11,602</u>
Subtotal Foster Care-Title IV-E			377,743
Adoption Assistance	93.659	-	2,088
Social Services Block Grant	93.667	-	11,947
Chafee Foster Care Independence Program	93.674	-	85,610
Pass-through Department of Child Support Enforcement			
Child Support Enforcement	93.563	-	631,767
Passed through the State Department of Health Care Services:			
Local Enforcement Assistance	93.Unknown	DG-11050650-024	17,312
Children's Health Insurance Program	93.767		117,592
Medicaid Cluster			
Medical Assistance Program	93.778	09/10-69	985,731

County of Lassen
Schedule of Expenditures of Federal Awards
For the year ended June 30, 2011

Federal Grantor/Pass-Through Grantor Program Title	CFDA Number	Program and/or Pass-Through Number	Federal Expenditures
U.S. Department of Health & Human Services, Continued:			
Passed through the State Department of Health Care Services:			
HIV Prevention Activities-Health Department Based	93.940	-	6,301
Emergency Preparedness	93.069	-	118,261
National Bioterrorism Hospital Preparedness Program	93.889	-	100,476
Passed through the State Department of Public Health:			
Immunization Cluster			
Immunization Grant	93.268	-	21,250
Maternal and Child Health Services Block Grant to the States	93.994	-	138,919
Passed through the State Department of Mental Health:			
Block Grants for Community Mental Health Services	93.958	-	92,791
Passed through the State Department of Alcohol and Drug Abuse Programs:			
Block Grants for Prevention and Treatment of Substance Abuse (SAPI)	93.959	-	442,698
Total U.S. Department of Health & Human Services			<u>5,246,334</u>
U.S. Department of Homeland Security:			
Passed through California Emergency Management Agency:			
Homeland Security - CalEMA	97.067	-	131,284
Total U.S. Department of Homeland Security			<u>131,284</u>
Total Federal Awards Expenditures, Excluding Loans			<u>\$ 14,095,946</u>
<u>Federal Loan Balances with a Continuing Compliance Requirement</u>			
U.S. Department of Housing and Urban Development:			
Passed through the State Department of Housing and Community Development:			
Community Development Block Grant/State's Program and Non-Entitlement Grants in Hawaii	14.228	-	\$ 587,935
Total Federal Loan Balances			<u>587,935</u>
Total Federal Awards Expenditures, Including Loans			<u>\$ 14,683,881</u>

County of Lassen
Notes to the Schedule of Expenditures of Federal Awards
For the year ended June 30, 2011

A. Reporting Entity

The financial reporting entity, as defined by the Governmental Accounting Standards Board (GASB), consists of the primary government, which is the County of Lassen, California (County), organizations for which the primary government is financially accountable, and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete.

The Board of Supervisors acts as the governing body and is able to impose its will on the following organization by establishing financial accountability:

- Community Development Commission of the County of Lassen

B. Basis of Accounting

Funds received under the various grant programs have been recorded within various funds of the County. The County utilizes the modified accrual basis of accounting for these funds. The accompanying schedule of expenditures of federal awards (schedule) is presented in accordance with the requirements of Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in the schedule may differ from amounts presented in, or used in, the presentation of County’s basic financial statements.

C. Relationship of Schedule of Expenditures of Federal Awards to Financial Statements

The accompanying schedule presents the activity of all federal financial assistance programs of the County. Federal financial assistance received directly from federal agencies as well as federal financial assistance passed through other agencies is included in the schedule. The schedule was prepared only from the accounts of various grant programs and, therefore, does not present the financial position or results of operations of the County.

D. Subrecipients

Of the federal expenditures presented in the schedule, the County provided federal awards to subrecipients as follows:

Federal CFDA	Program Title	Amount Provided to Subrecipients
10.666	Schools and Roads - Grant to Counties	\$ 210,493
	Total	\$ 210,493

County of Lassen
Notes to the Schedule of Expenditures of Federal Awards, Continued
For the year ended June 30, 2011

E. Pass-Through Entities' Identifying Number

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

County of Lassen
Schedule of Findings and Questioned Costs
For the year ended June 30, 2011

Section I - Summary of Auditors' Results

Financial Statements

Types of auditors' report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? No
- Significant deficiency(ies) identified? None Reported

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? No
- Significant deficiency(ies) identified? Yes

Type of auditors' report issued on compliance for major programs Unqualified

Any audit findings disclosed that are required to be reported in
 Accordance with section 510(a) of OMB Circular A-133 Yes

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster	Expenditures
10.551, 10.561	SNAP Cluster	\$ 5,540,353
16.803	ARRA-Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants to States and Territories	289,642
93.558	Temporary Assistance for Needy Families	1,829,635
93.959	Block Grants for Prevention and Treatment of Substance Abuse (SAPT)	442,698
	Total Expenditures of All Major Federal Programs	8,102,328
	Total Expenditures of Federal Awards	\$ 14,683,881
	Percentage of Total Expenditures of Federal Awards	55%

Dollar threshold used to distinguish between type A and type B program \$440,516

Auditee qualified as low-risk auditee under
 section 530 of OMB Circular A-133? No

County of Lassen
Schedule of Findings and Questioned Costs, Continued
For the year ended June 30, 2011

Section II - Financial Statement Findings

No financial statements findings were noted.

Section III - Federal Awards Findings

A. Current Year Findings and Questioned Costs - Major Federal Award Program Audit

Finding SA 2011-01 - Eligibility:

Information on the Federal Program

Temporary Assistance for Needy Families (TANF) Program (CFDA Number 93.558, U.S. Department of Health and Human Services, State Department of Social Services)

Criteria or specific requirement

45 CFR § 260-265 sets forth various eligibility requirements for families receiving assistance payments under the Temporary Assistance for Needy Families (TANF) program. These requirements are also discussed in the TANF state plan. To document compliance with these complex eligibility procedures, counties are required, under the California Department of Social Services Manual of Policies and Procedures § 48-001.01, et seq., to prepare and properly review required forms for each applicant and recipient of aid under the program.

Condition

For two of forty applicants and recipients of aid under the program reviewed for eligibility, one of the required documents was missing or not prepared. In one instance, the Intake/Re-determination Information Checklist was missing or not prepared; in the other instance, the CalWORKs 60-month time limit form was missing or not prepared.

Questioned Costs

No questioned costs were identified.

Context and Effect

County personnel making decisions on eligibility without all required forms would be acting on incomplete or inaccurate information, which could lead to erroneous eligibility decisions. Without the appropriate documentation on file, even correct eligibility decisions become difficult for the County to substantiate.

County of Lassen
Schedule of Findings and Questioned Costs, Continued
For the year ended June 30, 2011

Section III - Federal Awards Findings, Continued

Cause

The County implemented a new automated welfare system in the beginning of fiscal year 2010-2011. We noted a lack of internal controls over records retention due to the recent implementation.

Recommendation

We recommend the County improve the review procedures used to verify that all required forms are prepared and filed in a timely manner and retained for the required period of time in accordance with the state requirements. .

Views of responsible officials and planned corrective actions

June 1, 2010, the County converted from ISAWS, the old Interim Statewide Automated Welfare System, to C-IV, the new automated welfare system. Though conversion was automated, several months of case review and data validation were required following conversion. Shortly after conversion, the County began to convert all paper documents supporting eligibility to a paperless system, requiring the imaging and indexing of tens of thousands of pieces of paper in addition to the ongoing conversion data validation and routine work of the department. During the transition from the old system to a paperless system, case files and documents are necessarily spread out between mediums – paper files, the old archival imaging system, the C-IV imaging system – and across the process – documents and cases pending review, documents waiting to be scanned into the appropriate imaging system, images awaiting quality review and indexing, etc. The department established controls and monitoring systems, but with the volume and complexity of the project, some documents and case files were stored incorrectly and could not be located at the time of the audit. Once the transition to paperless is complete, the department will be able to quickly locate and retrieve all case information and supporting documents. In addition, the department will implement new case quality control review policy and procedures before the end of this fiscal year that will include random and targeted review and inventory of imaged and indexed documents.

The Director of Lassen Works and Community Social Services at (530) 251-8336 is the contact person.

County of Lassen
Schedule of Findings and Questioned Costs, Continued
For the year ended June 30, 2011

Section III - Federal Awards Findings, Continued

B. Prior Year Findings and Questioned Costs - Major Federal Award Program Audit

Finding SA 2010-01 - Reporting:

Information on the Federal Program

Temporary Assistance for Needy Families (TANF) Program (CFDA Number 93.558, U.S. Department of Health and Human Services, State Department of Social Services)

Supplemental Nutrition Assistance (SNAP) Program (CFDA Number 10.551, U.S. Department of Agriculture, State Department of Social Services)

Criteria or specific requirement

The State of California has established requirements for TANF and SNAP to be submitted within a specific period of time after the period ends.

Condition

TANF

Of the twenty-one TANF reports selected for audit, five reports were submitted past the deadline required by the State.

SNAP

Based on the testing performed, six out of the twelve reports tested were submitted past the deadline mandated by the State.

Questioned Costs

No questioned costs were identified.

Context and Effect

The County is required to submit its reports within the required time frame.

Recommendation

We recommend that the County evaluate controls over submitting reports in a timely manner. Procedures should be in place for the County to review the reports and submit by the designated deadline.

County of Lassen
Schedule of Findings and Questioned Costs, Continued
For the year ended June 30, 2011

Section III - Federal Awards Findings, Continued

Views of responsible officials and planned corrective actions

Of the reports cited above, the County disagrees with the number of late SNAP reports. Our records indicate only three were late and of those, the State was informed prior to the deadline and granted an extension for two of them. During the review period, the County was preparing for, training on, and converting to C-IV, the new automated welfare system on which the County went live June 1, 2010. With the exception of one late TANF report, reports were submitted late during the review period because staff were away from the office attending training or they were required to reconcile and compare prior months' data in the old ISAWS system to data in C-IV to ensure that the reports submitted were correct. The reconciliation process took a significant amount of time normally not required when working with data from a single system. The County has controls in place to monitor report submission timeliness and now that our transition to the new system is nearing completion, a recurrence of this issue is not anticipated.

The Director of Lassen Works and Community Social Services at (530) 251-8336 is the contact person.

Status

Corrected.

County of Lassen
Schedule of Findings and Questioned Costs, Continued
For the year ended June 30, 2011

Section III - Federal Awards Findings, Continued

Finding SA 2010-02 - Eligibility:

Information on the Federal Program

Temporary Assistance for Needy Families (TANF) Program (CFDA Number 93.558, U.S. Department of Health and Human Services, State Department of Social Services)

Supplemental Nutrition Assistance (SNAP) Program (CFDA Number 10.551, U.S. Department of Agriculture, State Department of Social Services)

Criteria or specific requirement

TANF

45 CFR § 260-265 sets forth various eligibility requirements for families receiving assistance payments under the Temporary Assistance for Needy Families (TANF) program. These requirements are also discussed in the TANF state plan. To document compliance with these complex eligibility procedures, counties are required, under the California Department of Social Services Manual of Policies and Procedures § 48-001.01, et seq., to maintain a file for each applicant and recipient of aid under the program.

SNAP

7 CFR §272 establishes the criteria for eligibility requirements for households to receive assistance coupons under the Supplemental Nutrition Assistance (SNAP) program. The requirements are also established in the State of California-CalFresh Regulations which documents the complex requirements under Regulations 63.201 to maintain documentation to determine the eligibility of the recipient.

Condition

During our performance of test work, we noted the following:

TANF

Of the forty TANF cases selected for audit, we identified one missing case file and one incomplete case file.

SNAP

Of the twenty-five SNAP cases selected for the audit, we identified one missing case file and eight incomplete case file.

Questioned Costs

No questioned costs were identified.

County of Lassen
Schedule of Findings and Questioned Costs, Continued
For the year ended June 30, 2011

Section III - Federal Awards Findings, Continued

Context and Effect

Eligibility staff making decisions without case file would be acting on incomplete or inaccurate information, which could lead to erroneous eligibility decisions. Without the appropriate documentation on file, even correct eligibility decisions become difficult for the County to substantiate.

Recommendation

We recommend that the County review this instance of missing case file, determine what may have led to their disappearance, and implement any necessary procedures to ensure documents are well organized and safeguarded.

Views of responsible officials and planned corrective actions

June 1, 2010, the County converted from ISAWS, the old Interim Statewide Automated Welfare System, to C-IV, the new automated welfare system. Though conversion was automated, several months of case review and data validation were required following conversion. Shortly after conversion, the County began to convert all paper documents supporting eligibility to a paperless system, requiring the imaging and indexing of tens of thousands of pieces of paper in addition to the ongoing conversion data validation and routine work of the department. During the transition from the old system to a paperless system, case files and documents are necessarily spread out between mediums – paper files, the old archival imaging system, the C-IV imaging system – and across the process – documents and cases pending review, documents waiting to be scanned into the appropriate imaging system, images awaiting quality review and indexing, etc. The department established controls and monitoring systems, but with the volume and complexity of the project, some documents and case files were stored incorrectly and could not be located at the time of the audit. Once the transition to paperless is complete, the department will be able to quickly locate and retrieve all case information and supporting documents. In addition, the department will implement new case quality control review policy and procedures before the end of this fiscal year that will include random and targeted review and inventory of imaged and indexed documents.

The Director of Lassen Works and Community Social Services at (530) 251-8336 is the contact person.

Status

Similar findings noted for the TANF program in 2011, see SA 2011-01.

County of Lassen
Schedule of Findings and Questioned Costs, Continued
For the year ended June 30, 2011

Section III - Federal Awards Findings, Continued

Finding SA 2010-03 - Eligibility:

Information on the Federal Program

Temporary Assistance for Needy Families (TANF) Program (CFDA Number 93.558, U.S. Department of Health and Human Services, State Department of Social Services)

Supplemental Nutrition Assistance (SNAP) Program (CFDA Number 10.551, U.S. Department of Agriculture, State Department of Social Services)

Criteria or specific requirement

TANF

45 CFR § 260-265 sets forth various eligibility requirements for families receiving assistance payments under the Temporary Assistance for Needy Families (TANF) program. Based on the criteria set forth, these individuals were deemed ineligible for the entire or partial benefit received.

SNAP

7 CFR §273 sets the eligibility requirements for households for receiving benefits under the Supplemental Nutrition Assistance Program (SNAP). The CalFresh Regulations state that under 63-400, recipients who are defined eligible under these regulations are entitled to the benefits.

Condition

TANF

Of the forty TANF cases selected for audit, four cases were receiving benefits that they were not entitled to based on their resource assessment.

SNAP

Based on the twenty-five cases tested, one case received an overpayment. The recipient was not entitled to the benefits received.

Questioned Costs

Undeterminable.

Context and Effect

Eligibility is determined based on participant's resource assessment. Without proper resource assessment, it could lead to erroneous eligibility decisions.

County of Lassen
Schedule of Findings and Questioned Costs, Continued
For the year ended June 30, 2011

Section III - Federal Awards Findings, Continued

Recommendation

We recommend that the County review the recipient's eligibility prior to issuing the benefits received. The County should obtain the proper documentation for determination of eligibility. The County should implement internal controls over the refund process for overpayments.

Views of responsible officials and planned corrective actions

The County agrees that the cases cited above were ineligible; however, the reasons for ineligibility were varied and were not based on their resource assessment. The County was aware that during the months leading up to and following conversion to C-IV, the additional workload requirements placed on staff were causing an increase in case errors. The County is now in the process of reviewing, identifying, and correcting those errors. Conversion to C-IV has afforded the County a much more sophisticated system of managing resultant overpayments and underpayments. In addition, before the end of the fiscal year the County will implement new case quality control review policy and procedures that will include random and targeted review of specified numbers of cases per worker per month.

The Director of Lassen Works and Community Social Services at (530) 251-8336 is the contact person.

Status

Corrected.

County of Lassen

Schedule of the California Emergency Management Agency Grant Expenditures

For the Year ended June 30, 2011

Program	Expenditures Claimed		Share of Expenditures		
	For the Year	For the Year	Federal	Current Year	
	Ended	Ended		State	County
	June 30, 2010	June 30, 2011	Share	Share	Share
VW10180180 - Victim Witness Assistance Program					
Personal services	\$ 87,870	\$ 89,278	\$ 47,096	\$ 42,156	\$ -
Operating expenses	13,704	15,760	-	15,786	-
Equipment	-	-	-	-	-
Total	\$ 101,574	\$ 105,038	\$ 47,096	\$ 57,942	\$ -
VB08060180 - Statutory Rape Vertical Prosecution					
Personal services	\$ 82,903	\$ 26,620	\$ -	\$ 26,620	\$ -
Operating expenses	3,006	-	-	-	-
Equipment	-	-	-	-	-
Total	\$ 85,909	\$ 26,620	\$ -	\$ 26,620	\$ -
2009-sb-b9-1012 -09 Edward Byrne Memorial Grant					
Equipment	\$ -	\$ 19,885	\$ 19,885	\$ -	\$ -
Total	\$ -	\$ 19,885	\$ 19,885	\$ -	\$ -
CD10210180-CalEMA - ADA					
Personal services	\$ -	\$ 42,571	\$ 42,571	\$ -	\$ -
Operating expenses	-	4,569	4,569	-	-
Subrecipient Payments	-	75,654	75,654	-	-
Equipment	-	-	-	-	-
Total	\$ -	\$ 122,794	\$ 122,794	\$ -	\$ -
ZA09010180 - 09 JAG/ADA Recovery Act Program					
Personal services	\$ -	\$ 134,465	\$ 134,465	\$ -	\$ -
Operating expenses	-	2,848	2,848	-	-
Subrecipient Payments	-	-	-	-	-
Equipment	-	-	-	-	-
Total	\$ -	\$ 137,313	\$ 137,313	\$ -	\$ -
ZO09010180 - JAG-OTP					
Personal services	\$ -	\$ 67,575	\$ 67,575	\$ -	\$ -
Operating expenses	-	28,235	28,235	-	-
Subrecipient Payments	-	-	-	-	-
Equipment	-	-	-	-	-
Total	\$ -	\$ 95,810	\$ 95,810	\$ -	\$ -
FY08 Homeland Security Program					
Equipment	-	8,490	8,490	-	-
Total	\$ -	\$ 8,490	\$ 8,490	\$ -	\$ -
ZP09010180 - Evidence Based Probation Supervision Program					
Personal services	\$ -	\$ 24,391	\$ 24,391	\$ -	\$ -
Operating expenses	-	12,243	12,243	-	-
Equipment	-	-	-	-	-
Total	\$ -	\$ 36,634	\$ 36,634	\$ -	\$ -