

ATTACHMENT C

Sonoma County ACFR and Single Audit – Audit Recommendations and Findings:

Sonoma County ACFR - Recommendations

None

Sonoma County Single Audit – Comments and Findings

Findings

2022-001. For two subrecipients under the Workforce Innovation and Opportunity Act (WIOA) program, the Independent Auditor noted the County did not document required evaluation of the subrecipients' risk of noncompliance in accordance with 2 CFR section 200.332(b) relating to pass-through entities' requirement to evaluate each subrecipient's risk of noncompliance.

Management agrees, and the Human Services Department will establish and implement policies and procedures to ensure the required evaluation of the subrecipients' risk of noncompliance is documented in accordance with 2 CFR section 200.332 (b).

2022-002. The Independent Auditor noted that for 7 of the 10 total WIOA quarterly reports tested, the County did not maintain documentation to support a formal review prior to submission to the grantor. Per 2 CFR 200.303, non-Federal entity 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. This includes internal controls over maintaining records of the preparer and approver of required reports.

Management agrees and the Human Services Department will establish a documented review of the required program reports by an individual other than the preparer prior to submission and retain record of the review and submission.

2022-003. For the Coronavirus State and Local Fiscal Recovery Funds program, authorized under the American Rescue Plan Act, the Independent Auditor noted the County did not document required evaluation of subrecipient's risk of noncompliance in accordance with 2 CFR section 200.332(b) relating to pass-through entities' requirement to evaluate each subrecipient's risk of noncompliance. In average reader terms, please add a description of what a subrecipient's risk of noncompliance means.

Management agrees and the County will update its policies and procedures for subrecipient monitoring for federal awards to include the required evaluations of a subrecipient's risk and documentation requirements in accordance with 2 CFR section 200.332(b).

2022-004. For the Coronavirus State and Local Fiscal Recovery Funds program, the Independent Auditor noted that for 1 of 5 total program reports tested, the County did not maintain documentation to support a formal review prior to submission to federal government. Per 2 CFR 200.303, non-Federal entity 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. This includes internal controls over maintaining records of the preparer and approver of required reports.

Management agrees, and the County will document procedures for preparing, reviewing, and submitting the quarterly Coronavirus State and Local Fiscal Recovery Funds Project and Expenditure Reports, including retaining documentation of report review prior to submission in accordance with 2 CFR section 200.303.

2022-005. Of the 66 case files sampled for Medical and In-Home Supportive Services (IHSS), the Independent Auditor noted 5 IHSS cases where the recipient eligibility redetermination was not performed timely and exceeded the 12-month requirement per 202 OMB Compliance Supplement. The Independent Auditor also noted that for 1 of the 5 cases, SOC 873 form required by CDSS was not maintained in the participant's file and was not able to be provided.

Management agrees, and the Human Services Department (HSD) will continue to implement policies and procedures to ensure eligibility redeterminations for the Medicaid IHSS program are performed on a timely basis and do not to exceed the 12-month requirement. HSD will also ensure proper documentation is maintained in case files.

2022-006. For the Aging Cluster, the Independent Auditor noted that for 9 of the 12 total program reports tested, the County did not maintain documentation to support a formal review prior to submission to the grantor. Per 2 CFR 200.303, non-Federal entity 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. This includes internal controls over maintaining records of the preparer and approver of required reports.

Management agrees and the Human Services Department will update its program procedures and establish a documented review of the required program reports by an individual other than the preparer prior to submission and retain record of the review and submission.

Other Entity Audited Financial Statements and Single Audits - Audit Recommendations and Findings:

Sonoma County Community Development Commission Single Audits

2022-001. External auditors noted RDA loans taken over by Sonoma County Community Development Commission in 2013 contains several loans that were not set up during original conversion process. This issue was discovered by Management during their review of loans and documents.

Management agrees. The Sonoma County Community Development Commission has added the loans to their database, although the loans added have no repayment schedule and are forgivable. It should be noted this occurrence was a one-time extraordinary event whereby these loans were received through operation of law and not processed via the Commission's normal check processing procedures, which monitors addition of new loans through cash disbursements. A new software program is being implemented to capture loan processing beginning with loan application through final booking stage in accounting.

2022-002. Recipients of federal rewards must pay each subrecipient for allowable costs within 30 days after receiving the subrecipient's complete payment request (24 CFR section 576.203). External auditors noted multiple instances of disbursements to subrecipients of the Emergency Solution Grant Program were issued after 30 days.

Management agrees. The Sonoma County Community Development Commission noted that staffing level did not change during the pandemic while facing substantial increase in the volume of transactions related to funding and program needs, therefore increasing payment processing time. Management anticipates this volume to return to normal level as the pandemic is nearing an end.