

**COUNTY OF VENTURA,
CALIFORNIA**

**SINGLE AUDIT REPORT
(Uniform Guidance)**

For the Year Ended June 30, 2016

COUNTY OF VENTURA, CALIFORNIA
SINGLE AUDIT REPORT
FOR THE YEAR ENDED JUNE 30, 2016

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**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 GOVERNMENT AUDITING STANDARDS**

To the Board of Supervisors
County of Ventura, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of Ventura, California (County), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated February 13, 2017. Our report included an emphasis of matter regarding the County's adoption of Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Application*, and GASB Statement No. 82, *Pension Issues – an amendment of GASB Statement No. 67, No. 68, and No. 73*. Our report also includes a reference to other auditors who audited the financial statements of the Ventura County Public Financing Authority and the Children and Families First Commission of Ventura County, as described in our report on the County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Rancho Cucamonga, California
February 13, 2017



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE AND THE SUPPLEMENTAL SCHEDULE OF CALIFORNIA STATE DEPARTMENT OF AGING EXPENDITURES OF FEDERAL AND STATE AWARDS

To the Board of Supervisors
County of Ventura, California

Report on Compliance for Each Major Federal Program

We have audited the County of Ventura, California's (County) compliance with the types of compliance requirements described in the *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, 2016. 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.

The County's basic financial statements include operations of the Children and Families First Commission of Ventura County, a discretely presented component unit, which received \$749,690 in federal awards which is not included in the schedule during the year ended June 30, 2016. Our audit, described below, did not include the operations of the Children and Families First Commission of Ventura County because they engaged other auditors to perform an audit in accordance with the Uniform Guidance.

Management's Responsibility

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

Auditors' 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, 2016.

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 item 2016-002. Our opinion on each major federal program is not modified with respect to these matters.

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

Report on Internal Control over Compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2016-001 that we consider to be a significant deficiency.

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 and the Supplemental Schedule of California State Department of Aging Expenditures of Federal and State Awards

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated February 13, 2017, which contained unmodified opinions on those financial statements. Our report included an emphasis of matter regarding the County's adoption of Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Application*, and GASB Statement No. 82, *Pension Issues – an amendment to GASB Statements No. 67, No. 68, and No. 73*. Our report also included a reference to other auditors who audited the financial statements of the Ventura County Public Financing Authority and the Children and Families First Commission of Ventura County, as described in our report on the County of Ventura's 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. The Supplemental Schedule of California State Department of Aging Expenditures of Federal and State Awards is presented for purpose of additional analysis 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 expenditure of federal awards and the Supplemental Schedule of California State Department of Aging Expenditures of Federal and State Awards are fairly stated in all material respects in relation to the financial statements as a whole.



Rancho Cucamonga, California
March 30, 2017

COUNTY OF VENTURA, CALIFORNIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2016

U.S. DEPT/PASS-THROUGH AGENCY/ PROGRAM TITLE/CLUSTER	FEDERAL CFDA NUMBER	DIRECT OR PASS-THROUGH ENTITY IDENTIFYING NUMBER	FEDERAL EXPENDITURES	FEDERAL AWARDS PASSED THROUGH TO SUBRECIPIENTS
U.S. DEPARTMENT OF AGRICULTURE:				
CHILD NUTRITION CLUSTER				
Passed-through California Department of Education:				
School Breakfast Program	10.553	03069-SN-56R	\$ 62,211	\$ -
National School Lunch Program	10.555	03069-SN-56R	115,854	-
Total Child Nutrition Cluster			<u>178,065</u>	<u>-</u>
SUPPLEMENTAL NUTRITION AND ASSISTANCE PROGRAM (SNAP) CLUSTER				
Passed-through California Department of Aging:				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program:				
Supplemental Nutrition Assistance Education Program	10.561	SP-1415-18	6,184	-
Supplemental Nutrition Assistance Education Program	10.561	SP-1516-18	22,880	-
Sub-total			<u>29,064</u>	<u>-</u>
Passed-through California Department of Public Health:				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program:				
The Nutrition Education and Obesity Prevention Program	10.561	13-20498	718,822	-
The Nutrition Education and Obesity Prevention Program	10.561	13-20498, A-01	387,144	-
Sub-total			<u>1,105,966</u>	<u>-</u>
Passed-through California Department of Social Services:				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program:				
Welfare Fraud CalFresh Admin	10.561	CFL 15/16-15, 40	397,719	-
CalFresh CalWIN	10.561	WCDS 4/6/16	877,484	-
CalFresh Admin	10.561	CFL 15/16-51, 26	12,939,941	-
CalFresh Employment & Training	10.561	CFL 15/16-30	69,631	-
Sub-total			<u>14,284,775</u>	<u>-</u>
Total Supplemental Nutrition and Assistance Program (SNAP) Cluster			<u>15,419,805</u>	<u>-</u>
FOREST SERVICE SCHOOLS AND ROADS CLUSTER				
Passed-through State Controller's Office:				
Schools and Roads - Grants to States:				
Federal Forest Reserve	10.665	9400	37,869	-
Total Forest Service Schools and Roads Clusters			<u>37,869</u>	<u>-</u>
Passed-through California Department of Food and Agriculture:				
Plant and Animal Disease, Pest Control, and Animal Care:				
Glassy Winged Sharp Shooter (GWSS)	10.025	15-8506-0484-CA	604,203	-
Light Brown Apple Moth (LBAM)	10.025	15-8506-1164-CA	56,459	-
Light Brown Apple Moth (LBAM)	10.025	15-8506-1164-CA	27,516	-
Sub-total			<u>688,178</u>	<u>-</u>
Passed-through California Department of Public Health:				
Special Supplemental Nutrition Program for Women, Infants, and Children:				
Supplemental Food Program-Women/Infants/Children (WIC)	10.557	14-10297	994,201	-
Supplemental Food Program-Women/Infants/Children (WIC)	10.557	15-10130	3,510,091	-
Sub-total			<u>4,504,292</u>	<u>-</u>
Passed-through California Department of Education:				
Child and Adult Care Food Program				
Child and Adult Care Food Program	10.558	04324-CACFP-56-GM-IC	4,002	-
Child and Adult Care Food Program	10.558	04324-CACFP-56-GM-IC	13,754	-
Sub-total			<u>17,756</u>	<u>-</u>
Total U.S. Department of Agriculture			<u>20,845,965</u>	<u>-</u>
U.S. DEPARTMENT OF COMMERCE:				
Passed-through California Department of Fish & Wildlife:				
Pacific Coast Salmon Recovery - Pacific Salmon Treaty Program:				
Fisheries Restoration Grant (Pole Creek Fish Passage Study)	11.438	P1350016	73,230	-
Total U.S. Department of Commerce			<u>73,230</u>	<u>-</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:				
HEALTH CENTER PROGRAM CLUSTER				
Direct Programs:				
Consolidated Health Centers (Community Health Centers, Migrant Health Centers, Health Care for the Homeless, And Public Housing Primary Care):				
Healthcare for the Homeless	93.224	N/A	1,197,723	-
Healthcare for the Homeless	93.224	N/A	432,450	-
Total Health Center Program Cluster			<u>1,630,173</u>	<u>-</u>

[1] N/A - Not Available

See accompanying notes to the Schedule of Expenditures of Federal Awards.

COUNTY OF VENTURA, CALIFORNIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)

FOR THE YEAR ENDED JUNE 30, 2016

U.S. DEPT/PASS-THROUGH AGENCY/ PROGRAM TITLE/CLUSTER	FEDERAL CFDA NUMBER	DIRECT OR PASS-THROUGH ENTITY IDENTIFYING NUMBER	FEDERAL EXPENDITURES	FEDERAL AWARDS PASSED THROUGH TO SUBRECIPIENTS
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (CONTINUED):				
AGING CLUSTER				
Passed-through California Department of Aging:				
Special Programs for the Aging - Title VII, Chapter 3 - Programs for Prevention of Elder Abuse, Neglect, and Exploitation	93.041 ^[2]	AP-1516-18	\$ 9,733	\$ 6,000
Special Programs for the Aging - Title VII, Chapter 2 - Long-Term Care Ombudsman Services for Older Individuals	93.042 ^[2]	AP-1516-18	39,286	39,286
Special Programs for the Aging - Title III, Part D - Disease Prevention and Health Promotion Services	93.043 ^[2]	AP-1516-18	42,831	-
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers:				
Special Programs for the Aging - Title IIIB-Ombudsman	93.044	AP-1516-18	30,509	30,509
Special Programs for the Aging - Title IIIB-Supportive Services	93.044	AP-1516-18	559,966	136,950
Special Programs for the Aging - Title IIIB-Supportive Services Admin	93.044	AP-1516-18	80,721	-
Sub-total			671,196	167,459
Special Programs for the Aging - Title III, Part C - Nutrition Services:				
Special Programs for the Aging - Title IIIC-Nutrition Services	93.045	AP-1516-18	1,130,114	499,815
Special Programs for the Aging - Title IIIC-Nutrition Services Admin	93.045	AP-1516-18	151,479	-
Sub-total			1,281,593	499,815
National Family Caregiver Support, Title III, Part E:				
Special Programs for the Aging - Title IIIE-Family Caregiver Support	93.052 ^[2]	AP-1516-18	269,250	174,830
Special Programs for the Aging - Title IIIE-Administration	93.052 ^[2]	AP-1516-18	33,743	-
Sub-total			302,993	174,830
Nutrition Services Incentive Program	93.053	AP-1516-18	119,633	-
Total Aging Cluster			2,467,265	887,390
MEDICAID CLUSTER				
Passed-through California Department of Aging:				
Medical Assistance Program:				
Multipurpose Senior Services Program (MSSP)	93.778	MS-1516-34	685,600	-
Passed-through California Department of Health Care Services:				
Medical Assistance Program:				
Child Health & Disability Prevention-Foster Care (CHDPFC)	93.778	CHDP Letter 14-04	306,466	-
CA Children's Services Admin (CCS)	93.778	Title XIX & XXI	2,145,827	-
Pediatric Palliative Care	93.778	Title XIX & XXI	62,203	-
Child Health & Disability Prevention (CHDP)	93.778	Title XIX	483,064	-
Child Health & Disability Prevention (CHDP)	93.778	Title XIX	268,771	-
Childhood Lead (CLPPP)	93.778	11-10168	84,533	-
Medi-Cal - Admin	93.778	MCAC 2015-16 05	17,984,712	-
Sub-total			21,335,576	-
Passed-through California Department of Social Services:				
Medical Assistance Program:				
CalWIN Medi-Cal	93.778	WCDS 4/6/16	1,400,613	-
Title XIX Public Authority	93.778	CFL 15/16-38,38E	312,263	-
CWS-IV-E - Health Related	93.778	CFL 15/16-27,27E,45	4,470,435	-
RX for Kids	93.778	CFL 15-16	1,065,523	-
In Home Supportive Services Title XIX	93.778	CFL 15/16-38,38E	3,650,119	-
In Home Supportive Services Title XIX	93.778	CFJ 15-16	736,784	-
APS/CSBG	93.778	CFL 15/16-27,27E,45	906,102	-
Sub-total			12,541,839	-
Total Medicaid Cluster			34,563,015	-
TEMPORARY ASSISTANCE FOR NEEDY FAMILIES (TANF) CLUSTER				
Passed-through California Department of Social Services:				
Temporary Assistance for Needy Families:				
Welfare Fraud CalWORKs	93.558	CFL 15/16-5, 11	738,709	-
Welfare Fraud IHSS	93.558	CFL 15/16-5, 11	11,455	-
CalWIN - TANF	93.558	WCDS 4/6/16	382,692	-
CalWORKs CEC & HSP	93.558	CFL 15/16-6,15,19,25,52,53,54	27,122,943	9,472,660
Title IV - A TANF	93.558	CA 800FED, 800S/M/L	23,879,901	-
CWS - TANF	93.558	CFL 15/16-4,35	2,248,405	-
KinGAP	93.558	CA 800FED, FED-GAP	1,166,327	-
Approved Relative Caregiver (ARC)	93.558	CA 800ARC	245,384	-
CalWORKs Family Stabilization	93.558	CFL 15-16	244,236	-
Cal-Learn	93.558	CFL 15-16	253,567	-
Total Temporary Assistance for Needy Families (TANF) Cluster			56,293,619	9,472,660
Direct Programs:				
Health Care Innovation Awards (HCIA):				
COPD Access to Community Health (CATCH)	93.610	1C1CMS331320-02-01	1,145,510	-
Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease:				
Ryan White Title III, Part C	93.918	H76HA25703	123,652	-
Ryan White Title III, Part C	93.918	H76HA25703	16,103	-
Sub-total			139,755	-

[1] N/A - Not Available

[2] Denotes that this program is part of the Aging Cluster at the request of the California Department of Aging

See accompanying notes to the Schedule of Expenditures of Federal Awards.

COUNTY OF VENTURA, CALIFORNIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)

FOR THE YEAR ENDED JUNE 30, 2016

U.S. DEPT/PASS-THROUGH AGENCY/ PROGRAM TITLE/CLUSTER	FEDERAL CFDA NUMBER	DIRECT OR PASS-THROUGH ENTITY IDENTIFYING NUMBER	FEDERAL EXPENDITURES	FEDERAL AWARDS PASSED THROUGH TO SUBRECIPIENTS
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (CONTINUED):				
Passed-through California Department of Aging:				
Medicare Enrollment Assistance Program:				
Medical Improvements for Patients & Providers Act	93.071	MI-1517-18	\$ 21,412	\$ -
State Health Insurance Assistance Program:				
Health Insurance Counseling and Advocacy Program (HICAP)	93.324	HI-1516-18	132,225	3,000
Sub-total			153,637	3,000
Passed-through California Department of Child Support Services:				
Child Support Enforcement:				
Title IV - D: Child Support Enforcement (FFP)	93.563	1504CACSES	13,799,052	-
Passed-through California Health and Human Services Agency:				
Block Grants for Prevention and Treatment of Substance Abuse	93.959	94-9088447	1,153,637	-
Block Grants for Prevention and Treatment of Substance Abuse	93.959	94-9088447	3,205,348	-
Sub-total			4,358,985	-
Passed-through California Department of Mental Health:				
Projects for Assistance in Transition from Homelessness (PATH)	93.150	1946001347J5	95,314	-
Block Grants for Community Mental Health Services	93.958	1946001347J5	466,397	-
Sub-total			561,711	-
Passed-through California Department of Public Health:				
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP)				
Aligned Cooperative Agreements:				
Hospital Preparedness Program (HPP)	93.074	EPO 14-59	269,965	-
Public Health Emergency Preparedness (PHEP)	93.074	EPO 14-59	526,592	-
Sub-total			796,557	-
Project Grants and Cooperative Agreements for Tuberculosis Control Programs:				
Tuberculosis Prevention and Control (FSIE)	93.116	1U52PS004656-01	122,807	-
Tuberculosis Prevention and Control (FSIE)	93.116	1U52PS004656	18,055	-
Sub-total			140,862	-
Immunization Cooperative Agreements:				
Immunization IAP Grant	93.268	15-10465	175,821	-
Preventive Health and Health Services Block Grant Funded Solely With Prevention and Public Health Funds (PPHF):				
Older Adults Falls Prevention Project	93.758	15-10836	11,120	-
Older Adults Falls Prevention Project	93.758	14-10814	7,745	-
Sub-total			18,865	-
HIV Care Formula Grants:				
Ryan White Title II, Part B	93.917	13-20079	270,921	-
Ryan White Title II, Part B	93.917	15-11081	49,859	-
Sub-total			320,780	-
Maternal and Child Health Services Block Grant to the States:				
Maternal and Child Health Services Block Grant - MCH	93.994	2015-56	1,953,239	-
Adolescent Family Life and Positive Youth Development	93.994	2015-56	269,851	-
Sub-total			2,223,090	-
Sub-total passed through California Department of Public Health			3,675,975	-
Passed-through California Department of Social Services:				
Promoting Safe and Stable Families	93.556	CFL 15/16-11	581,807	-
Refugee and Entrant Assistance - State Administered Programs:				
Title IV Sect. 411 Refugee & Entrant (RCA)	93.566	CA 800A	11,895	-
Stephanie Tubbs Jones Child Welfare Services Program:				
Children Welfare Services - IV-B	93.645	CFL 15/16-4,35	456,197	-
Foster Care - Title IV-E:				
CWS IV-E	93.658	CFL 15/16-27,27E,45	9,256,357	-
Foster Care	93.658	CFL 15/16-27,27E,45	956,184	-
Foster Care Title IV -E	93.658	CA 800A, 800 FC, CA 800 FC EFC	5,928,591	-
Foster Care (Non CWS)	93.658	CFL 15/16-27,27E,45	262,578	-
Licensing	93.658	CFL 15/16-17	366,468	-
Title IV-E - Probation	93.658	CFL 11/12-18,24,39	975,458	-
Sub-total			17,745,636	-
Adoption Assistance:				
Adoptions	93.659	CFL 15/16-27,27E,45	833,781	-
Adoption - Title IV - E	93.659	CA 800A	5,617,114	-
Sub-total			6,450,895	-
Social Services Block Grant:				
CWS - Title XX	93.667	CFL 15/16-27,27E,45	432,318	-
Child Abuse and Neglect State Grants:				
Citizen's Review Panel	93.669	CRP0912-03	23,200	-
Citizen's Review Panel	93.669	CRP216	25,000	-
Sub-total			48,200	-
Chafee Foster Care Independence Program:				
Independent Living Program	93.674	CFL 15/16-21	165,680	-
Sub-total passed through California Department of Social Services			25,892,628	-

[1] N/A - Not Available

See accompanying notes to the Schedule of Expenditures of Federal Awards.

COUNTY OF VENTURA, CALIFORNIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)

FOR THE YEAR ENDED JUNE 30, 2016

U.S. DEPT/PASS-THROUGH AGENCY/ PROGRAM TITLE	FEDERAL CFDA NUMBER	DIRECTOR PASS-THROUGH ENTITY IDENTIFYING NUMBER	FEDERAL EXPENDITURES	FEDERAL AWARDS PASSED THROUGH TO SUBRECIPIENTS
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (CONTINUED):				
Passed-through California Secretary of State: Voting Access for Individuals with Disabilities - Grants to States: Help America Vote Act 261 (HAVA 261)	93.617	94-6001347	\$ 29,182	\$ -
Passed-through California State Independent Living Council: Special Programs for the Aging - Title IV and Title II - Discretionary Projects: State Independent Living Council	93.048	15-ILC-021	50,000	-
Passed-through National Council on Aging: Affordable Care Act - Medicare Improvements for Patients and Providers	93.518	PO#336	10,000	-
Affordable Care Act - Medicare Improvements for Patients and Providers	93.518	PO#685	25,000	-
Sub-total			35,000	-
Total U.S. Department of Health and Human Services			144,795,507	10,363,050
U.S. DEPARTMENT OF HOMELAND SECURITY:				
Direct Programs: Assistance to Firefighters Grant: FY 2014 AFG - Assistance to Firefighters	97.044	N/A	2,009,091	-
Passed-through California Governor's Office of Emergency Services: Emergency Management Performance Grants: FY 2015 Emergency Management Performance Grant (EMPG)	97.042	2015-0049-111-00000	301,566	164,488
Pre-Disaster Mitigation: FY 2014 Pre-Disaster Mitigation Grant (PDM)	97.047	2014-0005-0288-111-00000	74,436	-
Homeland Security Grant Program: FY 2014 State Homeland Security Program (SHSP)	97.067	2014-00093-111-00000	32,409	-
FY 2015 State Homeland Security Program (SHSP)	97.067	2015-0078-111-00000	20,396	-
FY 2014 State Homeland Security Program (SHSP)	97.067	2014-00093-111-00000	524,526	286,152
FY 2015 State Homeland Security Program (SHSP)	97.067	2015-0078-111-00000	386,901	682
OPSG Joint Operations Reimbursement - 2014 Operation Stonegarden	97.067	073-91015	391,574	-
OPSG Joint Operations Reimbursement - 2015 Operation Stonegarden	97.067	073-95015	143,590	-
Sub-total			1,499,396	286,834
Passed-through City of Oxnard: Homeland Security Grant Program: FY 2014 State Homeland Security Program (SHSP)	97.067	2014-00093-111-00000	25,000	-
Total Homeland Security Grant Program			1,524,396	286,834
Total U.S. Department of Homeland Security			3,909,489	451,322
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:				
CDBG - ENTITLEMENT GRANTS CLUSTER				
Direct Programs: Community Development Block Grants/Entitlement Grants: Community Development Block Grant - Entitlement 10	14.218	B-10-UC-06-0507	27,813	27,813
Community Development Block Grant - Entitlement 11	14.218	B-11-UC-06-0507	23,350	23,350
Community Development Block Grant - Entitlement 12	14.218	B-12-UC-06-0507	164,175	99,904
Community Development Block Grant - Entitlement 13	14.218	B-13-UC-06-0507	178,911	178,911
Community Development Block Grant - Entitlement 14	14.218	B-14-UC-06-0507	464,153	464,153
Community Development Block Grant - Entitlement 15	14.218	B-15-UC-06-0507	1,206,411	868,131
Sub-total			2,064,813	1,662,262
Passed-through City of San Buenaventura: Community Development Block Grants/Entitlement Grants Total CDBG - Entitlement Grants Cluster	14.218	95-6000807	84,000	-
			2,148,813	1,662,262
Direct Programs: Emergency Solutions Grant Program: Emergency Solutions Grant Program 15	14.231	S-15-UC-06-0507	114,699	86,302
Passed-through City of Oxnard: Emergency Solutions Grant Program: Homeless Emergency Shelter Grant Program (ESG)	14.231	A-7710	6,959	-
Homeless Emergency Shelter Grant Program (ESG)	14.231	7227-15-HO	39,278	-
Sub-total			46,237	-
Total Emergency Solutions Grant Program			160,936	86,302
Direct Programs: Home Investment Partnerships Program: HOME Investment Partnership Program 12	14.239	M-12-UC-06-0540	20,102	20,102
HOME Investment Partnership Program 13	14.239	M-13-UC-06-0540	35,456	35,456
HOME Investment Partnership Program 14	14.239	M-14-UC-06-0540	198,027	198,027
HOME Grant 15	14.239	M-15-UC-06-0540	57,740	15,000
Sub-total			311,325	268,585

[1] N/A - Not Available

See accompanying notes to the Schedule of Expenditures of Federal Awards.

COUNTY OF VENTURA, CALIFORNIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)

FOR THE YEAR ENDED JUNE 30, 2016

U.S. DEPT/PASS-THROUGH AGENCY/ PROGRAM TITLE	FEDERAL CFDA NUMBER	DIRECT OR PASS-THROUGH ENTITY IDENTIFYING NUMBER	FEDERAL EXPENDITURES	FEDERAL AWARDS PASSED THROUGH TO SUBRECIPIENTS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (CONTINUED):				
Direct Programs:				
Continuum of Care Program:				
Continuum of Care - Shelter Plus Care Program - Ox/EC	14.267	N/A	\$ 925	\$ -
Continuum of Care - Shelter Plus Care Program - Ox/EC	14.267	N/A	226,008	-
Continuum of Care - Santa Paula HUD	14.267	N/A	21,308	-
Continuum of Care 16-1	14.267	CA1227L9D111300	66,688	66,688
Continuum of Care 16-2	14.267	CA0717L9D111407	52,433	52,433
Continuum of Care 16-3	14.267	CA1373L9D111400	28,955	-
Sub-total			<u>396,317</u>	<u>119,121</u>
Passed-through City of Los Angeles:				
Continuum of Care Program:				
Homeless HUD - VCRRH	14.267	CA1240L9D111401	81,829	-
Homeless - HUD	14.267	CA0719L9D111407	351,831	-
Continuum of Care (CoC) Program	14.267	CA0715L9D111306	10,958	-
Continuum of Care (CoC) Program	14.267	CA0715L9D111407	85,316	-
Sub-total			<u>529,934</u>	<u>-</u>
Total Continuum of Care (CoC) Program			<u>926,251</u>	<u>119,121</u>
Passed-through California Department of Public Health:				
Housing Opportunities for Persons with AIDS	14.241	13-20433	249,318	-
Total U.S. Department of Housing and Urban Development			<u>3,796,643</u>	<u>2,136,270</u>
U.S. DEPARTMENT OF THE INTERIOR:				
Direct Programs:				
Coastal Impact Assistance Program:				
Coastal Biological Resource Impact Mitigation Program	15.426	N/A	20,173	-
Local Coastal Program	15.426	N/A	54,631	-
Sub-total			<u>74,804</u>	<u>-</u>
Total U.S. Department of the Interior			<u>74,804</u>	<u>-</u>
U.S. DEPARTMENT OF JUSTICE:				
Direct Programs:				
FY 2015 DEA Domestic Cannabis Eradication Suppression Program				
FY 2015 DEA Domestic Cannabis Eradication Suppression Program	16.unknown	FY 2015	62,708	-
FY 2016 DEA Domestic Cannabis Eradication Suppression Program	16.unknown	FY 2016	21,268	-
Sub-total			<u>83,976</u>	<u>-</u>
National Institute of Justice Research, Evaluation, and Development Project Grants:				
FY 2014 Solving Cold Cases with DNA	16.560	N/A	89,369	-
State Criminal Alien Assistance Program	16.606	N/A	434,771	-
DNA Backlog Reduction Program:				
Forensic Case Backlog Reduction Grant 2013	16.741	N/A	11,511	-
14 DNA Cap Enhance & Backlog Reduction	16.741	N/A	84,533	-
Sub-total			<u>96,044</u>	<u>-</u>
Equitable Sharing Program	16.922	N/A	174,192	-
Equitable Sharing Program	16.922	N/A	25,184	-
Equitable Sharing Program	16.922	N/A	242,304	-
Sub-total			<u>441,680</u>	<u>-</u>
Sub-total Direct Programs			<u>1,145,840</u>	<u>-</u>
Passed-through California Board of State and Community Corrections:				
Juvenile Accountability Block Grants	16.523	140-15	49,723	12,431
Edward Byrne Memorial Justice Assistance Grant Program	16.738	BSCC655-14	32,905	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	BSCC655-15	32,703	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	BSCC655-14	694,789	323,517
Edward Byrne Memorial Justice Assistance Grant Program	16.738	BSCC655-15	436,814	238,694
Sub-total			<u>1,197,211</u>	<u>562,211</u>
Passed-through City of Oxnard:				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	95-6000756	2,317	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	95-6000756	8,263	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	95-6000756	3,755	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	95-6000756	615	-
Sub-total			<u>14,950</u>	<u>-</u>
Total Edward Byrne Memorial Justice Assistance Grant Program			<u>1,212,161</u>	<u>562,211</u>
Passed-through California Governor's Office of Emergency Services:				
Crime Victim Assistance:				
Victim/Witness Assistance Program	16.575	VW15340560	386,203	-
Underserved Victim Advocacy and Outreach Program	16.575	UV14050560	27,500	-
Underserved Victim Advocacy and Outreach Program	16.575	UV14050560	57,516	-
Sub-total			<u>471,219</u>	<u>-</u>
Paul Coverdell Forensic Sciences Improvement Grant Program:				
Coverdell 14-15 Program 14FSIA	16.742	CQ14100560	14,126	-
Coverdell 15-16 Program 15FSIA	16.742	CQ15110560	20,381	-
Sub-total			<u>34,507</u>	<u>-</u>
Sub-total passed through California Governor's Office of Emergency Services			<u>505,726</u>	<u>-</u>
Total U.S. Department of Justice			<u>2,913,450</u>	<u>574,642</u>

[1] N/A - Not Available

See accompanying notes to the Schedule of Expenditures of Federal Awards.

COUNTY OF VENTURA, CALIFORNIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)

FOR THE YEAR ENDED JUNE 30, 2016

U.S. DEPT/PASS-THROUGH AGENCY/ PROGRAM TITLE	FEDERAL CFDA NUMBER	DIRECTOR PASS-THROUGH ENTITY IDENTIFYING NUMBER	FEDERAL EXPENDITURES	FEDERAL AWARDS PASSED THROUGH TO SUBRECIPIENTS
U.S. DEPARTMENT OF LABOR:				
WIA/WIOA CLUSTER				
Passed-through California Employment Development Department:				
WIA/WIOA Adult Program:				
WIOA Adult (201)	17.258	K698402	\$ 149,684	\$ -
WIOA Adult (202)	17.258	K698402	1,509,086	-
WIOA Adult 202	17.258	K594801	184,522	-
Sub-total			<u>1,843,292</u>	<u>-</u>
WIA/WIOA Youth Activities:				
WIOA Youth 301	17.259	K698402	1,765,363	1,245,741
WIOA Youth 301	17.259	K594801	159,637	-
Sub-total			<u>1,925,000</u>	<u>1,245,741</u>
WIA/WIOA Dislocated Worker Formula Grants:				
Rapid Response 540	17.278	K698402	55,715	-
Rapid Response 541	17.278	K698402	277,967	94,126
Rapid Response 292	17.278	K698402	15,397	-
Rapid Response 293	17.278	K698402	84,681	-
WIOA DLW 501	17.278	K698402	359,780	-
WIOA DLW 502	17.278	K594801	400,419	-
WIOA DLW 502	17.278	K698402	1,640,347	-
WIOA WAF (1004)	17.278	K491058	7,806	-
Sub-total			<u>2,842,112</u>	<u>94,126</u>
Total WIA/WIOA Cluster			<u>6,610,404</u>	<u>1,339,867</u>
Direct Programs:				
Reintegration of Ex-Offenders:				
Bridges 2 Work	17.270	N/A	210,667	-
Passed-through California Department of Aging:				
Senior Community Service Employment Program:				
Title V - Senior Employment - SCSEP	17.235	TV-1516-18	117,478	117,478
Total U.S. Department of Labor			<u>6,938,549</u>	<u>1,457,345</u>
U.S. DEPARTMENT OF TRANSPORTATION:				
HIGHWAY PLANNING AND CONSTRUCTION CLUSTER				
Passed-through California Department of Transportation:				
Highway Planning and Construction	20.205	07-VEN-0-CR	836,965	-
Total Highway Planning and Construction Cluster			<u>836,965</u>	<u>-</u>
HIGHWAY SAFETY CLUSTER				
Passed-through California Office of Traffic Safety:				
State and Community Highway Safety:				
Selective Traffic Enforcement Program	20.600	68-0297066	15,590	-
Selective Traffic Enforcement Program	20.600	68-0297066	122,609	-
Sub-total			<u>138,199</u>	<u>-</u>
National Priority Safety Programs:				
VC Drugged Driving "Risks & Realities" Campaign	20.616	96-5053908	57,527	-
VC Drugged Driving "Risks & Realities" Campaign	20.616	96-5053908	237,528	-
Drug Impaired Driving Grant	20.616	DI1629	40,240	-
Sub-total			<u>335,295</u>	<u>-</u>
Total Highway Safety Cluster			<u>473,494</u>	<u>-</u>
FEDERAL TRANSIT CLUSTER				
Passed-through Ventura County Transportation Commission:				
Federal Transit - Formula Grants:				
Work Reliability Transport Program	20.507	CA-90-Z240-01	60,000	-
Total Federal Transit Cluster			<u>60,000</u>	<u>-</u>
TRANSIT SERVICES PROGRAM CLUSTER				
Passed-through Ventura County Transportation Commission:				
New Freedom Program:				
New Freedom Program (Medi-Ride)	20.521	CA-57-0092	5,915	-
Enhanced Mobility of Seniors and Individuals with Disabilities :				
New Freedom Program (Medi-Ride)	20.513	CA-16-0071	126,471	-
Total Transit Services Program Cluster			<u>132,386</u>	<u>-</u>
Direct Programs:				
Airport Improvement Program:				
Apron S G3 (339-32)	20.106	N/A	240	-
Runway 07/25 taxiway lights/signs (179-33)	20.106	N/A	59	-
Upgrade Lighting (339-33)	20.106	N/A	148	-
Pavement rehabilitation of Taxiway B, Key Apron and access road (339-34)	20.106	N/A	10,309	-
Pavement rehabilitations at Central Apron (179-34)	20.106	N/A	28,574	-
E. Durlay Ave. airfield apron payment & parking rehab & access gate 1 (339-35)	20.106	N/A	202,529	-
Sub-total			<u>241,859</u>	<u>-</u>
Passed-through California Office of Traffic Safety:				
Minimum Penalties for Repeat Offenders for Driving While Intoxicated:				
Selective Traffic Enforcement Program	20.608	68-0297066	47,303	-
Selective Traffic Enforcement Program	20.608	68-0297066	96,945	-
Sub-total			<u>144,248</u>	<u>-</u>
Total U.S. Department of Transportation			<u>1,888,952</u>	<u>-</u>

[1] N/A - Not Available

See accompanying notes to the Schedule of Expenditures of Federal Awards.

COUNTY OF VENTURA, CALIFORNIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)

FOR THE YEAR ENDED JUNE 30, 2016

U.S. DEPT/PASS-THROUGH AGENCY/ PROGRAM TITLE	FEDERAL CFDA NUMBER	DIRECT OR PASS-THROUGH ENTITY IDENTIFYING NUMBER	FEDERAL EXPENDITURES	FEDERAL AWARDS PASSED THROUGH TO SUBRECIPIENTS
<u>U.S. DEPARTMENT OF TREASURY:</u>				
Direct Programs:				
Equitable Sharing Program	21.016	N/A	\$ 9,287	\$ -
Volunteer Income Tax Assistance (VITA) Matching Grant Program	21.009	16VITA0158	39,300	-
Sub-total Direct Programs			<u>48,587</u>	<u>-</u>
Total U.S. Department of Treasury			<u>48,587</u>	<u>-</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 185,285,176</u>	<u>\$ 14,982,629</u>

[1] N/A - Not Available

See accompanying notes to the Schedule of Expenditures of Federal Awards.

COUNTY OF VENTURA, CALIFORNIA

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2016

NOTE #1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. General

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all Federal award programs of the County of Ventura, California (County) with the exception of the federal award programs of the Children and Families First Commission of Ventura County, a discretely presented component unit, in the amount of \$749,690, which is not included in the schedule during the year ended June 30, 2016, and were subject to separate audits by other independent auditors. The information in this schedule is presented in accordance with the 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). Because this schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in position, or cash flows of the County. All financial assistance received directly from the Federal agencies as well as Federal financial assistance passed-through other government agencies to the County is included in the accompanying schedule. The County's reporting entity is defined in Note 1 of the notes to the County's basic financial statements.

2. Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting except for programs recorded in the County's enterprise funds, which are presented using the accrual basis of accounting, which is described in Note 1 of the notes to the County's basic financial statements.

3. Relationship to Comprehensive Annual Financial Report

Federal award expenditures agree or can be reconciled with the amounts reported in the County's basic financial statements.

4. Relationship to Federal Financial Reports

Amounts reported in the accompanying schedule agree with the amounts reported in related federal financial reports.

5. Medicaid Cluster

Except for Medi-Cal administrative expenditures, Medi-Cal and Medicare program expenditures are excluded from the schedule of expenditures of federal awards. These expenditures represent fees for services; therefore, neither is considered a federal award program of the County for purposes of the schedules of expenditures of federal awards or in determining major programs. The County assists the State of California (State) in determining eligibility and provides Medi-Cal and Medicare services through County-owned health facilities.

Medi-Cal administrative expenditures are included in the schedule of expenditures of federal awards as they do not represent fees for services.

COUNTY OF VENTURA, CALIFORNIA

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)

FOR THE YEAR ENDED JUNE 30, 2016

NOTE #2 – CALIFORNIA GOVERNOR'S OFFICE OF EMERGENCY SERVICES (CALOES) GRANTS

At the request of CALOES, the following grant information is being provided.

Grant Name: **Victim/Witness Assistance Program**
 Agency: **District Attorney**
 Grant Period: **July 1, 2015 through June 30, 2016**
 Grant Number: **VW15340560**

FY15 Revenue Accrual	\$	(138,245)
FY15 Revenue Received		138,245
FY16 Revenue Received		389,441
FY16 Revenue Accrual		208,684
Revenues:	\$	<u>598,125</u>

Expenditures:	07/01/2015-06/30/2016	Cash Match	In-kind Match	Total
Personal services	\$ 549,892	\$ -	\$ -	\$ 549,892
Operating expenses	48,233	-	-	48,233
	<u>\$ 598,125</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 598,125</u>

Note: \$211,922 of the \$598,125 represents revenue and expenditures of State award dollars.

Grant Name: **Underserved Victim Advocacy and Outreach Program**
 Agency: **District Attorney**
 Grant Period: **October 1, 2014 through September 30, 2015**
 Grant Number: **UV14050560**

FY15 Revenue Received	\$	(27,535)
FY15 Revenue Accrual		27,535
FY16 Revenue Received		27,500
Revenues:	\$	<u>27,500</u>

Expenditures:	07/01/2015-09/30/2015	Cash Match	In-kind Match	Total
Personal services	\$ 27,500	\$ 4,878	\$ -	\$ 32,378
Operating expenses	-	1,693	-	1,693
	<u>\$ 27,500</u>	<u>\$ 6,571</u>	<u>\$ -</u>	<u>\$ 34,071</u>

Grant Name: **Underserved Victim Advocacy and Outreach Program**
 Agency: **District Attorney**
 Grant Period: **October 1, 2015 through March 31, 2016**
 Grant Number: **UV14050560**

FY16 Revenue Received	\$	57,516
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Expenditures:	10/01/2015-03/31/2016	Cash Match	In-kind Match	Total
Personal services	\$ 57,516	\$ 15,467	\$ -	\$ 72,983
Operating expenses	-	37	-	37
	<u>\$ 57,516</u>	<u>\$ 15,504</u>	<u>\$ -</u>	<u>\$ 73,020</u>

Grant Name: **FY 2014 State Homeland Security Program (SHSP)**
 Agency: **Ventura County Fire Protection District**
 Grant Period: **September 1, 2014 through December 31, 2015**
 Grant Number: **2014-00093-111-00000**

Revenues:	\$	32,409
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Expenditures:	07/01/2015 - 12/31/2015	Cash Match	In-kind Match	Total
Personal services	\$ 27,347	\$ -	\$ -	\$ 27,347
Equipment	5,062	-	-	5,062
	<u>\$ 32,409</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 32,409</u>

COUNTY OF VENTURA, CALIFORNIA

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)

FOR THE YEAR ENDED JUNE 30, 2016

**NOTE #2 – CALIFORNIA GOVERNOR'S OFFICE OF EMERGENCY SERVICES (CALOES) GRANTS
(Continued)**

Grant Name: **FY 2015 State Homeland Security Program (SHSP)**
 Agency: **Ventura County Fire Protection District**
 Grant Period: **September 1, 2015 through December 31, 2017**
 Grant Number: **2015-0078-111-00000**

Revenues:	\$	20,396			
Expenditures:					
		<u>09/01/2015 - 06/30/2016</u>	<u>Cash Match</u>	<u>In-kind Match</u>	<u>Total</u>
Personal services	\$	7,889	-	-	\$ 7,889
Equipment		12,507	-	-	12,507
	\$	<u>20,396</u>	<u>-</u>	<u>-</u>	<u>\$ 20,396</u>

Grant Name: **OPSG Joint Operations Reimbursement - 2014 Operation Stonegarden**
 Agency: **Ventura County Sheriff's Office**
 Grant Period: **September 1, 2014 through May 31, 2016**
 Grant Number: **073-91015**

Revenues:	\$	391,574			
Expenditures:					
		<u>07/01/2015 - 05/31/2016</u>	<u>Cash Match</u>	<u>In-kind Match</u>	<u>Total</u>
Personal services	\$	288,652	-	-	\$ 288,652
Equipment		102,922	-	-	102,922
	\$	<u>391,574</u>	<u>-</u>	<u>-</u>	<u>\$ 391,574</u>

Grant Name: **OPSG Joint Operations Reimbursement - 2015 Operation Stonegarden**
 Agency: **Ventura County Sheriff's Office**
 Grant Period: **September 1, 2015 through February 28, 2018**
 Grant Number: **073-95015**

Revenues:	\$	143,590			
Expenditures:					
		<u>09/01/2015 - 06/30/2016</u>	<u>Cash Match</u>	<u>In-kind Match</u>	<u>Total</u>
Personal services	\$	143,590	-	-	\$ 143,590
	\$	<u>143,590</u>	<u>-</u>	<u>-</u>	<u>\$ 143,590</u>

Grant Name: **Coverdell 14-15 Program 14FSIA**
 Agency: **Ventura County Sheriff's Office**
 Grant Period: **October 1, 2014 through December 31, 2015**
 Grant Number: **CQ14100560**

Revenues:	\$	14,126			
Expenditures:					
		<u>07/01/2015-12/31/2015</u>	<u>Cash Match</u>	<u>In-kind Match</u>	<u>Total</u>
Operating expenses	\$	14,126	-	-	\$ 14,126
	\$	<u>14,126</u>	<u>-</u>	<u>-</u>	<u>\$ 14,126</u>

COUNTY OF VENTURA, CALIFORNIA

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)

FOR THE YEAR ENDED JUNE 30, 2016

**NOTE #2 – CALIFORNIA GOVERNOR'S OFFICE OF EMERGENCY SERVICES (CALOES) GRANTS
(Continued)**

Grant Name: Coverdell 15-16 Program 15FSIA
 Agency: Ventura County Sheriff's Office
 Grant Period: October 1, 2015 through December 31, 2016
 Grant Number: CQ15110560

Revenues: \$ 20,381

Expenditures:	10/01/2015-06/30/2016	Cash Match	In-kind Match	Total
Operating expenses	\$ 20,381	\$ -	\$ -	\$ 20,381
	\$ 20,381	\$ -	\$ -	\$ 20,381

Grant Name: FY 2015 Emergency Management Performance Grant (EMPG)
 Agency: Ventura County Sheriff's Office
 Grant Period: July 1, 2015 through June 30, 2016
 Grant Number: 2015-0049-111-00000

Revenues: \$ 301,566

Expenditures:	07/01/2015-06/30/2016	Cash Match	In-kind Match	Total
Personal services	\$ 32,171	\$ -	\$ 279,624	\$ 311,795
Operating expenses	101,982	-	-	101,982
Equipment	167,413	21,942	-	189,355
	\$ 301,566	\$ 21,942	\$ 279,624	\$ 603,132

Grant Name: FY 2014 State Homeland Security Program (SHSP)
 Agency: Ventura County Sheriff's Office
 Grant Period: September 1, 2014 through May 31, 2016
 Grant Number: 2014-00093-111-00000

Revenues: \$ 524,526

Expenditures:	07/01/2015-05/31/2016	Cash Match	In-kind Match	Total
Personal services	\$ 57,570	\$ -	\$ -	\$ 57,570
Operating expenses	190,647	-	-	190,647
Equipment	276,309	-	-	276,309
	\$ 524,526	\$ -	\$ -	\$ 524,526

Grant Name: FY 2015 State Homeland Security Program (SHSP)
 Agency: Ventura County Sheriff's Office
 Grant Period: September 1, 2015 through June 30, 2017
 Grant Number: 2015-0078-111-00000

Revenues: \$ 386,901

Expenditures:	09/01/2015-06/30/2016	Cash Match	In-kind Match	Total
Personal services	\$ 56,817	\$ -	\$ -	\$ 56,817
Operating expenses	3,684	-	-	3,684
Equipment	326,400	-	-	326,400
	\$ 386,901	\$ -	\$ -	\$ 386,901

Grant Name: FY 2014 Pre-Disaster Mitigation Grant (PDM)
 Agency: Ventura County Sheriff's Office
 Grant Period: December 3, 2014 through December 2, 2016
 Grant Number: 2014-0005-0288-111-00000

Revenues: \$ 74,436

Expenditures:	07/01/2015-06/30/2016	Cash Match	In-kind Match	Total
Personal services	\$ -	\$ -	\$ 18,609	\$ 18,609
Operating expenses	74,436	-	-	74,436
	\$ 74,436	\$ -	\$ 18,609	\$ 93,045

*No match or in-kind for these awards.

COUNTY OF VENTURA, CALIFORNIA

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)

FOR THE YEAR ENDED JUNE 30, 2016

NOTE #3 – INDIRECT COST RATE

With the exception of the following programs, the County has not elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**FEDERAL
CFDA**

NUMBER	FEDERAL PROGRAM TITLE	COUNTY PROGRAM TITLE
10.557	Special Supplemental Nutrition Program for Women, Infants and Children	Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)
93.610	Health Care Innovation Awards (HCIA)	COPD Access to Community Health
93.778	Medical Assistance Program	Pediatric Palliative Care
93.778	Medical Assistance Program	Child Health & Disability Prevention

COUNTY OF VENTURA, CALIFORNIA

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2016**

I. SUMMARY OF AUDITORS' RESULTS

FINANCIAL STATEMENTS

Type of auditors' report issued on whether the financial statements audited were prepared in accordance with GAAP:	<u>Unmodified</u>
Internal control over financial reporting:	
Material weakness(es) identified?	<u>No</u>
Significant deficiency(ies) identified?	<u>None Reported</u>
Noncompliance material to financial statements noted?	<u>No</u>

FEDERAL AWARDS

Internal control over major federal programs:	
Material weakness(es) identified?	<u>No</u>
Significant deficiency(ies) identified?	<u>Yes</u>
Type of auditors' report issued on compliance for major federal programs:	<u>Unmodified</u>
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	<u>Yes</u>

Identification of major federal programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>10.561</u>	<u>Supplemental Nutrition Assistance Program (SNAP) Cluster</u>
<u>93.778</u>	<u>Medicaid Cluster</u>
<u>93.659</u>	<u>Adoption Assistance - Title IV-E</u>
<u>17.258, 17.259, 17.278</u>	<u>Workforce Investment Act (WIA)/Workforce Innovation and Opportunity Act (WIOA) Cluster</u>

Dollar threshold used to distinguish between Type A and Type B programs:	<u>\$ 3,000,000</u>
Auditee qualified as low-risk auditee?	<u>Yes</u>

COUNTY OF VENTURA, CALIFORNIA

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)
FOR THE YEAR ENDED JUNE 30, 2016**

II. FINANCIAL STATEMENT FINDINGS

None noted.

COUNTY OF VENTURA, CALIFORNIA

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)
FOR THE YEAR ENDED JUNE 30, 2016**

III. FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

The following findings represent significant deficiencies, and/or instances of non-compliance, including questioned costs, required to be reported in accordance with 2 CFR 200, Subpart F.

Finding 2016-001

Programs: Supplemental Nutrition Assistance Program (SNAP) Cluster, Medicaid Cluster, Adoption Assistance, and Workforce Investment Act (WIA)/Workforce Innovation and Opportunity Act (WIOA) Cluster

CFDA No.: 10.561, 17.258, 17.259, 17.278, 93.659, and 93.778

Federal Grantor: U.S. Department of Agriculture, U.S. Department of Health and Human Services, and U.S. Department of Labor

Passed-through: California Department of Social Services and California Employment Development Department

Award No. and Year: Various

Compliance Requirements: Activities Allowed or Unallowed and Allowable Costs/Cost Principles

Criteria:

2 CFR 200.403(i), *Standards for Documentation of Personnel Expenses*, states that charges to Federal awards for salaries and wages records must be supported by a system of internal control which provides reasonable assurance that the charges are accurate, allowable, and properly allocated.

Compensation for personal services charged to the programs is supported by the County's use of timecards for employees. The County uses an electronic time system to enter and approve employee time. Once an employee enters time for the pay period, the employee's supervisor reviews and approves the employee's time by "locking" the timecard. If the employee's supervisor does not review the timecard, the timecard is "auto locked" by the electronic time system in order to process payroll. For those timecards that are "auto locked", each decentralized department's payroll clerk sends out an email reminding the supervisor to approve the hours in order to evidence proper approval.

Condition:

Of the employees and payroll transactions selected for testing, we noted 15 timecards where the employee's timecard was not approved by a supervisor. The exceptions were noted in the federal programs as follows:

- One timecard was related to Adoption Assistance.
- Two timecards were noted where the employees' time was charged to both the State Administrative Matching Grants for the Supplemental Nutrition Assistance Program, and Medical Assistance Program.
- 12 instances were noted for the WIA/WIOA Adult Program, WIA/WIOA Youth Activities, and WIA/WIOA Dislocated Worker Formula Grant programs.

Questioned Costs:

None

COUNTY OF VENTURA, CALIFORNIA

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)
FOR THE YEAR ENDED JUNE 30, 2016**

III. FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

Context:

For the Adoption Assistance, State Administrative Matching Grants for the Supplemental Nutrition Assistance Program, and Medical Assistance Program, employees' timecards are used to reconcile time reported on time studies which allocate costs to the federal programs based on the County Expense Claim (CEC) process. The 3 exceptions described in the Condition were based on a sample of 40 timecards.

For the WIA/WIOA Adult Program, WIA/WIOA Youth Activities, and WIA/WIOA Dislocated Worker Formula Grant programs, the 12 exceptions were from a sample of 80 timecards.

Effect:

Lack of review for personnel hours could lead to unallowable activities and costs to be charged to the Federal program.

Cause:

The County's procedures did not consistently ensure that the review of timecards was documented.

Recommendation:

We recommend that the County modify and/or strengthen its current policies and procedures to ensure that all timecards consistently document evidence of supervisor approval. The procedures should also address the compensating controls for circumstances where obtaining the supervisor's approval is not possible.

Views of Responsible Officials and Planned Corrective Actions:

See separate corrective action plan.

Finding 2016-002

Program: Medicaid Cluster

CFDA No.: 93.778

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

Passed-through: California Department of Social Services

Award No. and Year: Various

Compliance Requirements: Eligibility

Criteria:

The June 2016 *Office of Management and Budget (OMB) Compliance Supplement* requires the County to perform redeterminations of eligibility in accordance with the compliance requirements of the program and to discontinue benefits when the period of eligibility has expired.

42 CFR 435.916, *Periodic Renewal of Medicaid Eligibility*, requires the County to redetermine the eligibility of Medicaid recipients with respect to circumstances that may change at least once every 12 months.

COUNTY OF VENTURA, CALIFORNIA

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)
FOR THE YEAR ENDED JUNE 30, 2016**

III. FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

Condition:

Of the case files selected for testing, we noted 3 out of 40 case files where the redetermination of eligibility was not performed and the recipients continued to receive benefits and 1 out of 40 case files where no response was received from the recipient for the eligibility redetermination and the recipient continued to receive benefits.

Questioned Costs:

None

Context:

As a result of our testing procedures over eligibility, of the 40 case files selected, redetermination of eligibility was not performed for 3 case files and the recipients continued to receive benefits and 1 case file where no response was received from the recipient for the eligibility redetermination and the recipient continued to receive benefits. The County charges administrative expenditures associated with the determination of eligibility to the program while the State pays amounts to providers.

Effect:

Lack of supporting documentation for eligibility redeterminations could result in ineligible individuals receiving benefits.

Cause:

The County's procedures did not consistently ensure that documentation for eligibility redeterminations was present in the case files to support eligibility.

Recommendation:

We recommend that the County strengthen its current policies and procedures with regards to eligibility redeterminations, required documentation, and maintenance of recipient files to help ensure the accuracy of recipient data and that eligibility determinations are supported by the proper documentation.

Views of Responsible Officials and Planned Corrective Actions:

See separate corrective action plan.

COUNTY OF VENTURA, CALIFORNIA

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2016**

None reported.

COUNTY OF VENTURA, CALIFORNIA

SUPPLEMENTAL SCHEDULE OF CALIFORNIA STATE DEPARTMENT OF AGING
 EXPENDITURES OF FEDERAL AND STATE AWARDS
 FOR THE YEAR ENDED JUNE 30, 2016

U.S. DEPT/PASS-THROUGH AGENCY/ PROGRAM TITLE	CFDA NO.	PASS- THROUGH GRANTOR'S NUMBER	FEDERAL EXPENDITURES	FEDERAL AWARDS PASSED THROUGH TO SUBRECIPIENTS	STATE EXPENDITURES
<u>STATE PROGRAMS:</u>					
Ombudsman Initiative	State	AP-1516-18	\$ -	\$ -	\$ 86,270
Total State Programs			-	-	86,270
<u>U.S. DEPARTMENT OF AGRICULTURE:</u>					
Passed-through California Department of Aging:					
Supplemental Nutrition Assistance Education Program	10.561	SP-1415-18	6,184	-	-
Supplemental Nutrition Assistance Education Program	10.561	SP-1516-18	22,880	-	-
Total U.S. Department of Agriculture			29,064	-	-
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:</u>					
Passed-through California Department of Aging:					
Title VIIB- Elder Abuse Program	93.041	AP-1516-18	9,733	6,000	-
Title VIIA- Ombudsman	93.042	AP-1516-18	39,286	39,286	-
Title IIID- Disease Prevention	93.043	AP-1516-18	42,831	-	-
Title IIIB- Ombudsman	93.044	AP-1516-18	30,509	30,509	23,213
Title IIIB- Supportive Services	93.044	AP-1516-18	640,687	136,950	-
Title IIIC- Nutrition Services	93.045	AP-1516-18	1,281,593	499,815	132,204
Title IIIE- Family Caregiver Support	93.052	AP-1516-18	302,993	174,830	-
NSIP-Nutrition Services Incentive	93.053	AP-1516-18	119,633	-	-
Medical Improvements for Patients & Providers Act	93.071	MI-1517-18	21,412	-	-
Health Insurance Counseling and Advocacy Program (HICAP)	93.324	HI-1516-18	132,225	3,000	180,812
Multipurpose Senior Services Program (MSSP)	93.778	MS-1516-34	685,600	-	-
Total U.S. Department of Health and Human Services			3,306,502	890,390	336,229
<u>U.S. DEPARTMENT OF LABOR:</u>					
Passed-through California Department of Aging:					
Title V- Senior Employment - SCSEP	17.235	TV-1516-18	117,478	117,478	-
Total U.S. Department of Labor			117,478	117,478	-
TOTAL EXPENDITURES OF CALIFORNIA DEPARTMENT OF AGING FEDERAL AND STATE AWARDS			\$ 3,453,044	\$ 1,007,868	\$ 422,499

COUNTY OF VENTURA
CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED JUNE 30, 2016

Compiled by: Jill Ward, Deputy Director, Auditor-Controller
County of Ventura, California

COUNTY OF VENTURA, CALIFORNIA
CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED JUNE 30, 2016

I. FINANCIAL STATEMENT FINDINGS

None noted.

II. FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

Finding 2016-001

Programs: Supplemental Nutrition Assistance Program (SNAP) Cluster, Medicaid Cluster, Adoption Assistance, and Workforce Investment Act (WIA)/Workforce Innovation and Opportunity Act (WIOA) Cluster

CFDA No.: 10.561, 17.258, 17.259, 17.278, 93.659, and 93.778

Federal Grantor: U.S. Department of Agriculture, U.S. Department of Health and Human Services, and U.S. Department of Labor

Passed-through: California Department of Social Services and California Employment Development Department

Award No. and Year: Various

Compliance Requirements: Activities Allowed or Unallowed and Allowable Costs/Cost Principles

Management's or Department's Response:

HSA – HSA management concurs with the finding(s). An extended period of understaffing in the unit has impacted the level of service within HSA Payroll. Steps are being taken to fill vacancies and direct staffing to HSA Payroll activities.”

View of Responsible Officials and Corrective Action:

SUPERVISOR APPROVAL OF EMPLOYEE TIMECARDS IN VENTURA COUNTY HUMAN RESOURCE-PAYROLL SYSTEM (VCHRP)

To address the issue of supervisor approval of the employee's timecard, the County VCHRP produces the report "Biweekly Auto Lockdown by Budget Unit". This query report provides a listing by department of all employees that have been "Auto Locked" by the system, a direct result of Supervisors not locking employees' reported time before the biweekly payroll cycle began. Each supervisor is then notified by email by their payroll clerk that they need to review, approve and/or lock their employee's reported time. Upon review of reported time, should the Supervisor disagree with what is reported, and corrections must be made on the timesheet, the Supervisor must submit a request to the department's payroll clerk to make adjustments in the current pay period. When adjustments are completed, Supervisors must review the adjustments made, then approve and/or lock final reported time after the fact the following pay period. If the supervisor is unavailable or unresponsive, the payroll clerk must send an email to an alternate time labor approver and/or to an appropriate supervisor up the chain of command. As part of the department's biweekly processing procedures, each department shall approve reported time in accordance with Auditor-Controller prescribed payroll processing timelines.

To ensure the supervisor approval of employee timecard procedures are followed, the Auditor-Controller will produce a Countywide "Auto Lockdown by Budget Unit" audit report each bi-weekly pay period, notify the Payroll Supervisor when a violation of policy has occurred, and instruct the Payroll Supervisor on proper reporting and correction techniques. Items which remain uncleared after a reasonable period of time will be escalated to the manager and then the department head as determined necessary.

COUNTY OF VENTURA, CALIFORNIA
CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED JUNE 30, 2016

At the Agency level, the Human Services Agency will be hiring and directing additional staffing to payroll activities (including the follow up to assure proper approval of time sheets). HSA Payroll staff will also take steps to work with dedicated contacts in each of the Agency Departments who will assist with appropriate follow up directly with staff when/if additional follow up is needed to accomplish the required approval of timesheets. HSA Payroll will provide periodic status reports to the HSA Executive team as needed to assist the Agency taking the necessary steps to accomplish compliance.

Name of Responsible Person:

Bryan Gonzales, Senior Manager – Accounting, Human Services Agency
Valerie Barraza, Deputy Director, Auditor- Controller

Implementation Date: Complete by: March 27, 2017

Finding 2016-002

Program: Medicaid Cluster

CFDA No.: 93.778

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

Passed-through: California Department of Social Services

Award No. and Year: Various

Compliance Requirements: Eligibility

Management's or Department's Response:

HSA management concurs with the finding(s).

- A. Errors: Eligibility redetermination: (1) The required eligibility redetermination was not performed.
(2) Benefits were not discontinued when the period of eligibility expired.

Findings: Three cases (sample case # 5, 16, 41) did not have a redetermination completed for Fiscal Year 2016 and benefits were not discontinued.

Department's Assessment of Findings: In all three of these cases, the 2015 redetermination packet was received but not processed. A 2016 redetermination packet was not generated because the 2015 redetermination was still in progress.

- B. Error: Benefits were not discontinued when the period of eligibility expired.

Findings: One case (sample case #15) was found to have had a redetermination packet sent and not returned, however benefits were not discontinued.

Department's Assessment of Findings: This case had an active secondary aid code for Medicare Savings Plan (MSP). Cases with an active MSP aid code require a worker to manually authorize the discontinuance. This case remained active because a manual authorization to discontinue benefits was not completed.

COUNTY OF VENTURA, CALIFORNIA
CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED JUNE 30, 2016

View of Responsible Officials and Corrective Action:

- A. The Ventura County Human Services Agency (HSA) concurs with the finding that in three cases the required eligibility determination was not performed and benefits were not discontinued when the period of eligibility expired. HSA put together the following Corrective Action Plan to ensure compliance with all federal rules and regulations.

HSA developed and implemented a “Medi-Cal RRR Tracking Report” that monitors the status of annual redeterminations. Among other redetermination details, the tracking report indicates the receipt, status, and completion of each redetermination. The reports resides on the HSA Intranet, where eligibility staff and supervisors can readily access the information. HSA requires eligibility staff and supervisors to use this report on a regular basis to monitor the disposition of each redetermination and ensure the proper action is taken.

HSA also developed the “MC RRR Tracking Report Tool” to further support eligibility staff in the use of the tracking report. The tool serves as a reference document that provides a description of each column in the RRR Tracking Report and how to understand the presented information.

HSA provided training to all eligibility workers and supervisors on the functionality and use of the Medi-Cal RRR Tracking Report on January 24-31; February 1; and February 21-22, 2017. Eligibility workers then received expectations that the report must be reviewed at least twice a week to ensure the discontinuance of eligibility benefits if clients fail to return redetermination packets. This should reduce similar issues in the future.

A second report (Active MC Old RRR Report) identifies cases with an overdue redetermination date. This report also resides on our Agency Intranet. Eligibility supervisors and workers are expected to review this report on a bi-weekly basis. The Active MC Old RRR Report will capture cumulative data that will allow eligibility staff to monitor the status of cases no longer viewable on the current MC RRR Tracking Report.

- B. HSA concurs with the finding that in one case benefits were not discontinued when the period of eligibility expired. The County reinforced the use of the “Medi-Cal RRR Tracking Report” in the Medi-Cal Redetermination policy, and through a mandatory training for eligibility staff conducted in January and February 2017. The Medi-Cal RRR Tracking Report identifies cases which need to be discontinued so the worker can take action in a timely manner.

Eligibility workers will also utilize the “Active MC Old RRR Report” to identify and take action on cases that need to be manually discontinued for failure to complete redetermination.

Name of Responsible Person: Curtis S. Updike, Deputy Director, Ventura County Human Services Agency

Implementation Date: Complete by February 22, 2017

COUNTY OF VENTURA
MANAGEMENT LETTER
FOR THE YEAR ENDED JUNE 30, 2016



To the Board of Supervisors
County of Ventura, California

In planning and performing our audit of the basic financial statements of the County of Ventura (County) as of and for the year ended June 30, 2016, in accordance with auditing standards generally accepted in the United States of America, we considered the County's internal control over financial reporting (internal control) as a basis for designing auditing 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.

We have previously reported on the County's internal control in our report dated February 13, 2017, in accordance with *Government Auditing Standards*. This letter does not affect our report dated February 13, 2017, on the financial statements of the County.

During our audit we noted certain matters involving internal control or operations that are presented for your consideration. These observations and recommendations, all of which have been discussed with the appropriate members of management, are intended to improve internal control or result in other operating efficiencies and are summarized on the accompanying pages.

CURRENT YEAR MANAGEMENT LETTER OBSERVATIONS

YEAR-END CLOSING

Observation:

For certain governmental revenues, the County maintains a period of availability of six months. For amounts earned as of June 30 but not collected within six months, the County should defer revenue recognition until the subsequent fiscal year. During our testing of year-end receivables, we proposed adjustments to properly defer revenue recognition on amounts received after the County's six month period of availability in the General Fund, Roads Fund, and Fire Protection District. At the time of the County's year-end closing, these amounts had been accrued and collection was estimated to occur within 6 months.

Additionally, during our testing of year-end procedures over net position, we proposed an adjustment to properly reclassify the net investment in capital assets (component of net position) for governmental activities as of June 30.

Recommendation:

We recommend that the County review its year-end closing procedures over unavailable revenue/revenue recognition and consider implementing a "look back" procedure to compare prior estimates of certain governmental revenues, subject to the period of availability, to the timing of cash collections to determine the accuracy of the estimation process. Additionally, we recommend that the County strengthen its year-end closing procedures over net position classifications.

Management Response:

Auditor-Controller management has reviewed the County's year-end closing procedures. Additional training will be provided to County departments and Auditor-Controller staff regarding the proper reporting of governmental fund revenues received before and after the six month availability period. Auditor-Controller staff will also conduct additional monitoring and review of revenues, including a "look-back" procedure to compare prior estimates to the timing of cash collected to ensure the accuracy of the estimates for proper financial statement reporting.

Finally, the Auditor-Controller's Office will perform additional monitoring and review to ensure the proper classification of net investment of capital assets, thereby strengthening the year end close procedures over net position classifications.

CONTROLS OVER PAYROLL

Observation:

The County's policies and procedures require payroll hours incurred to be properly authorized by the employee's supervisor. If the employee's supervisor is unavailable to approve a timecard, the timecard is auto-locked by HR in order to process payroll. For those timecards that are auto-locked without the supervisor's approval, each decentralized department's payroll clerk sends out an email reminding the supervisor to approve the hours in order to evidence proper approval. The County Auditor-Controller's Office payroll team implemented additional procedures to ensure that payroll hours are properly authorized by the employee's supervisor including requiring departments to conduct subsequent reviews to ensure hours are recorded correctly. While most departments have been diligent in reviewing and approving entries, other departments are behind in conducting these reviews. Further, our payroll testing noted exceptions in which the evidence of the supervisor's approval of the employee's hours was not obtained.

Recommendation:

We recommend that the County continue to modify and/or strengthen its current policies and procedures to ensure that timecards consistently document evidence of supervisor approval in accordance with County policies and procedures. The procedures should also address the compensating controls for circumstances where obtaining the employee or supervisor signature is not possible.

Management Response:

To ensure the supervisor approval of employee timecard procedures are followed, the Auditor-Controller will produce a Countywide "Auto Lockdown by Budget Unit" audit report each bi-weekly pay period, notify the Payroll Supervisor when a violation of policy has occurred, and instruct the Payroll Supervisor on proper reporting and correction techniques. Items which remain uncleared after a reasonable period of time will be escalated to the manager and then the department head as determined necessary.

PRIOR YEAR MANAGEMENT LETTER OBSERVATIONS

Summarized below is the current status of observations reported in the management letter for the year ended June 30, 2015:

Topic	Current Status
1 Controls Over Payroll	Partially Implemented – See Management Letter Observation 2
2 Charge Master Update	Implemented

Our audit procedures are designed primarily to enable us to form an opinion on the financial statements, and therefore may not bring to light all weaknesses in policies or procedures that may exist. We aim, however, to use our knowledge of the County gained during our work to make observations and suggestions that we hope will be useful to you.

We would be pleased to discuss these observations and recommendations with you at any time. This report is intended solely for the information and use of the County, management, and others within the County and is not intended to be and should not be used by anyone other than these specified parties.



Rancho Cucamonga, California
February 13, 2017