



Federal Awards Reports in Accordance
with the Uniform Guidance
For the Fiscal Year Ending June 30, 2022
County of Solano, California

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Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Board of Supervisors
County of Solano, California

We have audited, 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component units and remaining fund information of the County of Solano, California (County), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the County’s basic financial statements and have issued our report thereon dated January 30, 2023. Our report included an emphasis of matter paragraph regarding the County's adoption of Governmental Accounting Standards Board Statement No. 87, *Leases*, effective July 1, 2021, and the restatement of beginning fiduciary net position for the correction of an error.

Report on Internal Control over Financial Reporting

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

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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We identified certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs as items 2022-001 and 2022-002 that we consider to be material weaknesses.

Report on Compliance and Other Matters

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

County's Responses to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the County's responses to the findings identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs. The County's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

Purpose of this Report

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

A handwritten signature in cursive script that reads "Eide Sully LLP".

Sacramento, California
January 30, 2023



Independent Auditor’s 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 Supplemental Schedule of Office of California State Department of Aging Grants

To the Board of Supervisors
County of Solano, California

Report on Compliance for Each Major Federal Program

Qualified and Unmodified Opinions

We have audited the County of Solano, California’s (County) compliance with the types of compliance requirements identified as subject to audit 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, 2022. 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.

Qualified Opinions on Housing Voucher Cluster and Emergency Rental Assistance Program

In our opinion, except for the noncompliance described in the Basis for Qualified and Unmodified Opinions section of our report, the County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the Housing Voucher Cluster and Emergency Rental Assistance Program for the year ended June 30, 2022.

Unmodified Opinion on Each of the Other Major Federal Programs

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 other major federal programs identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2022.

Basis for Qualified and Unmodified Opinions

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the County's compliance with the compliance requirements referred to above.

Matters Giving Rise to Qualified Opinion on the Housing Vouchers Cluster

As described in the accompanying schedule of findings and questioned costs, the County did not comply with requirements regarding Assistance Listing No. 14.871 and 14.879 Housing Vouchers Cluster as described in finding numbers 2022-003 for subrecipient monitoring and 2022-004 for reporting.

Compliance with such requirements is necessary, in our opinion, for the County to comply with the requirements applicable to that program.

Matter Giving Rise to Qualified Opinion on the Emergency Rental Assistance Program

As described in the accompanying schedule of findings and questioned costs, the County did not comply with requirements regarding Assistance Listing No. 21.023 Emergency Rental Assistance Program as described in finding number 2022-008 for subrecipient monitoring.

Compliance with such requirements is necessary, in our opinion, for the County to comply with the requirements applicable to that program.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the County's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the County's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2022-005 through 2022-007, and 2022-010 through 2022-011. Our opinions on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on the County's responses to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The County's responses were not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses and a significant deficiency.

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

We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2022-003 through 2022-005, 2022-007 through 2022-011 to be material weaknesses.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2022-006 to be a significant deficiency.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on the County's responses to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The County's responses were not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

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 Supplemental Schedule of Office of California Department of Aging Grants

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated January 30, 2023, which contained unmodified opinions on those financial statements. Our report included emphasis of matter paragraphs stating that the County adopted Governmental Accounting Standards Board Statement No. 87, *Leases*, effective July 1, 2021, and corrected for an error discovered by management in the prior year 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 and schedule of the Office of California State Department of Aging Grants are presented for purposes of additional analysis as required by the Uniform Guidance and the California Health and Human Services Agency, Department of Aging, respectively, and are 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 basic financial statements and certain additional procedures, including comparing and reconciling such information

directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and supplemental schedule of the Office of California State Department of Aging Grants, are fairly stated in all material respects in relation to the basic financial statements as a whole.

Eide Bailly LLP

Sacramento, California

April 17, 2023

County of Solano, California
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2022

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing/Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures	Amounts Passed- Through to Subrecipients
US Department of Agriculture (USDA)				
Pass-Through Programs:				
California Department of Food and Agriculture (CDFA)				
Plant and Animal Disease, Pest Control, and Animal Care	10.025	21-1036-013-SF	\$ 37,242	\$ -
Plant and Animal Disease, Pest Control, and Animal Care	10.025	18-0629-000-FR	347,784	-
Plant and Animal Disease, Pest Control, and Animal Care	10.025	21-0421-019-FR	1,150	-
Plant and Animal Disease, Pest Control, and Animal Care	10.025	190-267-000-FR	63,639	-
Plant and Animal Disease, Pest Control, and Animal Care	10.025	19-8506-0484-FR	750,970	-
Subtotal Plant and Animal Disease, Pest Control, and Animal Care			<u>1,200,785</u>	<u>-</u>
California Department of Education				
Child Nutrition Cluster:				
National School Lunch Program	10.555	48-10488-6051569-01	2,937	-
Subtotal Child Nutrition Cluster			<u>2,937</u>	<u>-</u>
California Department of Public Health (CDPH)				
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	19-10192	2,634,924	-
SNAP Cluster:				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	19-10377	195,928	88,774
California Department of Social Services (CDSS)				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	1946001347 A7	12,476,064	-
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program - CalFresh/CalWIN	10.561	1946001347 A7	171,753	-
California Department of Aging				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (CalFresh/SNAP-Ed)	10.561	SP-2021-28, SP-2122-28	117,086	109,199
Subtotal SNAP Cluster			<u>12,960,831</u>	<u>197,973</u>
US Department of Agriculture (USDA) Total			<u>16,799,477</u>	<u>197,973</u>
US Department of Housing and Urban Development (HUD)				
Direct Programs:				
Housing Voucher Cluster:				
Section 8 Housing Choice Vouchers	14.871	CA131	2,717,032	2,717,032
Mainstream Vouchers	14.879	CA131	48,914	48,914
Subtotal Housing Voucher Cluster			<u>2,765,946</u>	<u>2,765,946</u>
Family Self-Sufficiency Program	14.896	CA131	42,176	42,176
US Department of Housing and Urban Development (HUD) Total			<u>2,808,122</u>	<u>2,808,122</u>
US Department of Justice (DOJ)				
Direct Programs:				
Safe Streets Violent Crimes Initiative	16.U01	Not Applicable	16,393	-
2021 Domestic Cannabis Eradication Suppression Program	16.U02	Not Applicable	8,627	-
2022 Domestic Cannabis Eradication Suppression Program	16.U03	Not Applicable	21,913	-
State Criminal Alien Assistance Program (SCAAP)	16.606	Not Applicable	175,000	-
Equitable Sharing Program	16.922	Not Applicable	8,662	-
Direct Programs Subtotal			<u>230,595</u>	<u>-</u>

County of Solano, California
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2022

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing/Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures	Amounts Passed- Through to Subrecipients
US Department of Justice (DOJ) (Continued)				
Pass-Through Programs:				
California Board of State and Community Corrections				
COVID-19 Coronavirus Emergency Supplemental Funding Program	16.034	5227-BSCC12920	\$ 259,416	\$ -
Edward Byrne Memorial Justice Assistance Grant Program	16.738	BSCC 629-19	492,601	453,303
California Office of Emergency Services (CalOES)				
Paul Coverdell Forensic Sciences Improvement Program	16.742	CQ19080480	48,946	-
Paul Coverdell Forensic Sciences Improvement Program	16.742	CQ19080480	<u>4,003</u>	<u>-</u>
Subtotal Paul Coverdell Forensic Sciences Improvement Program			<u>52,949</u>	<u>-</u>
Crime Victim Assistance	16.575	UV20030480	53,263	-
Crime Victim Assistance	16.575	UV21040480	66,038	-
Crime Victim Assistance	16.575	XC20030480	166,963	-
Crime Victim Assistance	16.575	XC21040480	130,186	-
Crime Victim Assistance	16.575	VW20390480	174,365	-
Crime Victim Assistance	16.575	VW21400480	<u>609,400</u>	<u>-</u>
Subtotal Crime Victim Assistance			<u>1,200,215</u>	<u>-</u>
Pass-Through Programs Subtotal			<u>2,005,181</u>	<u>453,303</u>
US Department of Justice (DOJ) Total			<u>2,235,776</u>	<u>453,303</u>
US Department of Labor (DOL)				
Pass-Through Programs:				
State of California Employment Development Department (EDD)				
WIA/WIOA Cluster:				
WIA/WIOA Adult Program	17.258	AA011039	241,772	-
WIA/WIOA Adult Program	17.258	AA111039	149,174	-
WIA/WIOA Adult Program	17.258	AA211039	<u>898,929</u>	<u>-</u>
Subtotal WIA/WIOA Adult Program			<u>1,289,875</u>	<u>-</u>
WIA/WIOA Youth Activities	17.259	AA111039	271,491	164,143
WIA/WIOA Youth Activities	17.259	AA211039	599,638	-
WIA/WIOA Youth Activities	17.259	AA311039	<u>21,176</u>	<u>-</u>
Subtotal WIA/WIOA Youth Activities			<u>892,305</u>	<u>164,143</u>
WIA/WIOA Dislocated Worker Formula Grants	17.278	AA111039	110,589	-
WIA/WIOA Dislocated Worker Formula Grants	17.278	AA211039	<u>1,026,109</u>	<u>-</u>
Subtotal WIA/WIOA Dislocated Worker Formula Grants			<u>1,136,698</u>	<u>-</u>
Subtotal WIA/WIOA Cluster			<u>3,318,878</u>	<u>164,143</u>
WIOA National Dislocated Worker Grants/WIA National Emergency Grants	17.277	AA111039	<u>110,652</u>	<u>-</u>
US Department of Labor (DOL) Total			<u>3,429,530</u>	<u>164,143</u>

County of Solano, California
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2022

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing/Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures	Amounts Passed- Through to Subrecipients
US Department of Transportation (DOT)				
Direct Programs:				
COVID-19 Airport Improvement Program	20.106	Not Applicable	\$ 32,000	\$ -
Airport Improvement Program	20.106	Not Applicable	<u>833,148</u>	<u>-</u>
Subtotal Airport Improvement Program			<u>865,148</u>	<u>-</u>
Pass-Through Programs:				
California Department of Transportation (CalTrans)				
Highway Planning and Construction Cluster:				
Highway Planning and Construction	20.205	5923	<u>198,778</u>	<u>-</u>
Subtotal Highway Planning and Construction Cluster			<u>198,778</u>	<u>-</u>
California Office of Traffic Safety (OTS)				
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	AL22016	257,410	-
Highway Safety Cluster:				
National Priority Safety Programs	20.616	OP22008	35,456	-
National Priority Safety Programs	20.616	D122015	135,264	-
National Priority Safety Programs	20.616	D121010	<u>224,999</u>	<u>-</u>
Subtotal Highway Safety Cluster			<u>395,719</u>	<u>-</u>
Pass-Through Programs Subtotal			<u>851,907</u>	<u>-</u>
US Department of Transportation (DOT) Total			<u>1,717,055</u>	<u>-</u>
US Department of Health and Human Services (DHHS)				
Direct Programs:				
Health Center Program Cluster:				
Health Center Program (Community Health Centers, Migrant Health Centers, Health Care for the Homeless, and Public Housing Primary Care)	93.224	Not Applicable	1,743,993	-
COVID-19 Health Center Program (Community Health Centers, Migrant Health Centers, Health Care for the Homeless, and Public Housing Primary Care)	93.224	Not Applicable	2,497,394	-
Grants for New and Expanded Services Under the Health Center Program	93.527	Not Applicable	<u>181,400</u>	<u>-</u>
Total Health Center Program Cluster			<u>4,422,787</u>	<u>-</u>
Health Center Infrastructure Support	93.526	Not Applicable	157,171	-
COVID-19 Provider Relief Fund	93.498	Not Applicable	407,800	-
Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease	93.918	Not Applicable	<u>300,644</u>	<u>-</u>
Direct Programs Subtotal			<u>5,288,402</u>	<u>-</u>

County of Solano, California
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2022

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing/Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures	Amounts Passed- Through to Subrecipients
US Department of Health and Human Services (DHHS) (Continued)				
Pass-Through Programs:				
California Department of Aging (CDA)				
Aging Cluster:				
Special Programs for the Aging, Title VII, Chapter 3, Programs for Prevention of Elder Abuse, Neglect, and Exploitation	93.041	AP-2021-28, 2001CAOAEA-00, AP-2122-28 2101CAOAEA-01	\$ 8,555	\$ 8,555
Special Programs for the Aging, Title VII, Chapter 2, Long Term Care Ombudsman Services for Older Individuals	93.042	AP-2021-28 2001CAOAEA-00, AP-2122-28 2101CAOAEA-01	68,778	68,778
COVID - 19 Special Programs for the Aging, Title VII, Chapter 2, Long-Term Care Ombudsman Services for Older Individuals	93.042	CARES Act - Ombudsman Program 2001CAOMC3-00	3,284	3,284
COVID - 19 Special Programs for the Aging, Title VII, Chapter 2, Long-Term Care Ombudsman Services for Older Individuals	93.042	CARES Act - Ombudsman Program 2001CAOMC3-00	<u>3,423</u>	<u>3,423</u>
Subtotal Special Programs for the Aging, Title VII, Chapter 2, Long-Term Care Ombudsman Services for Older Individuals			<u>75,485</u>	<u>75,485</u>
Special Programs for the Aging, Title III, Part D, Disease and Health Promotion Services	93.043	AP-2021-28, 2001CAOAPH-00, AP-2122-28 2101CAOAPH-01	29,825	29,825
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	AP-2021-28 2001CAOASS-00, AP-2122-28 2101CAOASS-01	921,220	851,548
COVID - 19 Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	CARES Act - Supportive Services 2001CASSC3-00	113,289	113,289
COVID - 19 Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	ADRC COVID Vaccine Access Program 2101CAVAC5-00	<u>29,520</u>	<u>29,520</u>
Subtotal Special Programs for the Aging, Title III, Part B Grants for Supportive Services and Senior Centers			<u>1,064,029</u>	<u>994,357</u>
Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045	AP-2021-28 2001CAOACM-00 2001CAOAH-00 AP-2122-28, 2001CAOACM-01 2101CAOAH-01	1,063,797	921,830
Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045	Consolidated Appropriations Act 2101-CAHDC5-00	214,994	214,994
COVID - 19 Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045	CARES Act - Nutrition Services 2001CAHDC3-00	<u>485,349</u>	<u>485,349</u>
Subtotal Special Programs for the Aging, Title III, Part C, Nutrition Services			<u>1,764,140</u>	<u>1,622,173</u>

County of Solano, California
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2022

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing/Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures	Amounts Passed- Through to Subrecipients
US Department of Health and Human Services (DHHS) (Continued)				
National Family Caregiver Support, Title III, Part E	93.052	AP-2021-28, 2001CAOAF00, AP-2122-28 2101CAOAF01 CARES ACT - FCSP	\$ 319,069	\$ 287,780
COVID - 19 National Family Caregiver Support, Title III, Part E	93.052	2001CAFCC3-00	<u>122,881</u>	<u>122,881</u>
Subtotal National Family Caregiver Support, Title III, Part E			<u>441,950</u>	<u>410,661</u>
Nutrition Services Incentive Program	93.053	AP-2021-28 2001CAOANS-00, AP-2122-28 2101CAOANS-01	<u>258,124</u>	<u>258,124</u>
Total Aging Cluster			<u>3,642,108</u>	<u>3,399,180</u>
Pass-Through Programs:				
California Department of Public Health (CDPH)				
Public Health Emergency Preparedness (PHEP)	93.069	17-10201	290,538	-
National Bioterrorism Hospital Preparedness Program (HPP)	93.889	17-10201	188,888	-
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	2048BASE00	82,897	-
Childhood Lead Poisoning Prevention Projects, State and Local Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children	93.197	20-10551	21,556	-
COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases	93.323	0187.5280 ELC CARES	218,012	-
COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases	93.323	COVID-19ELC48	2,727,677	-
COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases	93.323	COVID-19ELC106	2,840,532	275,000
COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases	93.323	187.3408	<u>113,350</u>	<u>-</u>
Subtotal Epidemiology and Laboratory Capacity for Infectious Diseases			<u>5,899,571</u>	<u>275,000</u>
Activities to Support State, Tribal, Local and Territorial (STLT)				
Health Department Response to Public Health or Healthcare Crises	93.391	CERI-212340	31,297	-
Maternal, Infant, and Early Childhood Home Visiting Program	93.870	CHVP 21-48	827,627	-
HIV Care Formula Grants	93.917	18-10892	187,925	-
HIV Prevention Activities_Health Department Based	93.940	18-10774	115,375	20,035
Public Health Emergency Response: Cooperative Agreement for Emergency Response Public Health Crisis Response	93.354	4265	242,561	-
COVID-19 Public Health Emergency Response: Cooperative Agreement for Emergency Response Public Health Crisis Response	93.354	4265	<u>13,986</u>	<u>-</u>
Subtotal Public Health Emergency Response Public Health Crisis Response			<u>256,547</u>	<u>-</u>
Immunization Cooperative Agreements	93.268	17-10354	2,843,836	-

County of Solano, California
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2022

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing/Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures	Amounts Passed- Through to Subrecipients
US Department of Health and Human Services (DHHS) (Continued)				
California Department of Social Services (CDSS)				
Guardianship Assistance	93.090	1946001347 A7	\$ 664,682	\$ -
MaryLee Allen Promoting Safe and Stable Families	93.556	1946001347 A7	287,193	275,203
Community-Based Child Abuse Prevention Grants	93.590	1946001347 A7	33,596	33,596
Temporary Assistance for Needy Families	93.558	1946001347 A7	23,868,715	6,921,429
Temporary Assistance for Needy Families	93.558	1946001347 A7	7,204,534	-
Temporary Assistance for Needy Families	93.558	1946001347 A7	186,959	-
Subtotal Temporary Assistance for Needy Families			<u>31,260,208</u>	<u>6,921,429</u>
Refugee and Entrant Assistance State/Replacement Designee Administered Programs				
	93.566	1946001347 A7	42,101	-
Adoption and Legal Guardianship Incentive Payments Program				
	93.603	1946001347 A7	5,252	-
Stephanie Tubbs Jones Child Welfare Services Program				
	93.645	1946001347 A7	149,297	-
Foster Care Title IV-E				
	93.658	1946001347 A7	7,184,104	2,251,193
Adoption Assistance Title IV-E				
	93.659	1946001347 A7	5,095,323	-
Social Services Block Grant				
	93.667	1946001347 A7	686,112	-
John H. Chafee Foster Care Program for Successful Transition to Adulthood				
	93.674	1946001347 A7	131,777	131,777
California Department of Child Support Services (DCSS)				
Child Support Enforcement				
	93.563	1-946001347-P-9	8,723,419	-
California Department of Health Care Services (DHCS)				
Projects for Assistance in Transition from Homelessness (PATH)				
	93.150	14-90354	65,432	-
Block Grants for Community Mental Health Services				
	93.958	14-90354	431,731	374,582
Block Grants for Prevention and Treatment of Substance Abuse				
	93.959	14-90354	2,894,461	1,347,036
Maternal and Child Health Services Block Grant to the States				
	93.994	14-90354	1,033,304	-
California Department of Public Health (CDPH)				
Maternal and Child Health Services Block Grant to the States				
	93.994	202148	348,416	-
Subtotal Maternal and Child Health Services Block Grant to the States			<u>1,381,720</u>	<u>-</u>
Medicaid Cluster:				
Medical Assistance Program				
	93.778		<u>19,515,066</u>	<u>-</u>
Total Medicaid Cluster			<u>19,515,066</u>	<u>-</u>
US Department of Health and Human Services (DHHS) Total			<u>98,228,041</u>	<u>15,029,031</u>
US Department of Homeland Security (DHS)				
Pass-Through Programs:				
California Office of Emergency Services (CalOES)				
Emergency Management Performance Grants				
	97.042	Cal OES ID: 095-0000 Subaward #2021-0015	98,365	-
Emergency Management Performance Grants				
	97.042	Cal OES ID: 095-0000 Subaward #2020-0006	108,682	-
Emergency Management Performance Grants				
	97.042	Cal OES ID: 095-0000 Subaward #20002-0095	<u>107,500</u>	<u>-</u>
Subtotal Emergency Management Performance Grants			<u>314,547</u>	<u>-</u>
Homeland Security Grant Program				
	97.067	2021-0081	900	-
Homeland Security Grant Program				
	97.067	Cal OES ID: 095-0000 2020-0095	169,677	80,887
Homeland Security Grant Program				
	97.067	Cal OES ID: 095-0000 95-00000	466,876	222,118
City & County of San Francisco				
Homeland Security Grant Program				
	97.067	075-95017	<u>112,266</u>	<u>-</u>
Subtotal Homeland Security Grant Program			<u>749,719</u>	<u>303,005</u>
US Department of Homeland Security (DHS) Total			<u>1,064,266</u>	<u>303,005</u>

County of Solano, California
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2022

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing/Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures	Amounts Passed- Through to Subrecipients
US Department of the Treasury				
Direct Programs:				
COVID-19 Emergency Rental Assistance Program	21.023	Not Applicable	\$ 11,440,404	\$ 6,177,719
US Department of Treasury Total			<u>11,440,404</u>	<u>6,177,719</u>
US Small Business Administration (SBA)				
Pass-Through Programs:				
Humboldt State University				
Small Business Development Centers	59.037	SBAHQ-20-C-0069	34,441	-
Small Business Development Centers	59.037	SBAHQ-21-B-0044	65,459	-
Small Business Development Centers	59.037	SBAHQ-20-B-0066	76,382	-
US Small Business Administration (SBA) Total			<u>176,282</u>	<u>-</u>
Total Federal Financial Assistance			<u>\$ 137,898,953</u>	<u>\$ 25,133,296</u>

Note 1 - Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) includes the federal award activity of the County of Solano, California (County) under programs of the federal government for the year ended June 30, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the 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 net position, or cash flows of the County.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported in the schedule are reported on the modified accrual basis of accounting for the governmental funds and the accrual basis of accounting for the proprietary funds, except for subrecipient expenditures which are recorded on the cash basis and certain U.S. Department of Health and Human Resources programs that are reported on a cash basis in accordance with guidance provided by the California Health and Human Services Agency. When applicable, such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts, if any, shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in the prior years.

Note 3 - Pass-Through Entities’ Identifying Numbers

When federal awards are received from a pass-through entity, the Schedule indicates if assigned, the identifying grant or contract number that has been assigned by the pass-through entity.

Note 4 - Medicaid Cluster

Except for Medi-Cal administrative expenditures, Medicaid (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 schedule 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.

Note 5 - Indirect Cost Rate

The County has not elected to use the 10-percent de minimis indirect cost rate.

Note 6 - Aging Cluster

The California Department of Aging considers other closely related pass-through programs by the State to be included with the Aging Cluster, in accordance with 2 CFR 200.12.

Note 7 - Provider Relief Funds

The County received amounts from the U.S. Department of Health and Human Services (HHS) through the Provider Relief Fund (PRF) program (Federal Financial Assistance Listing/CFDA #93.498) during the year ended June 30, 2021 totaling \$407,800. Additional funds of \$463,799 were received during the year ended June 30, 2022. The County incurred eligible expenditures and, therefore, recognized revenues totaling \$463,799 for the year ended June 30, 2022 on the financial statements. In accordance with the 2022 compliance supplement, the PRF expenditures recognized on the schedule are based on the reporting to HHS for Period 2, defined as payments received during July 1, 2020 to December 31, 2020 of \$407,800, as required under the PRF program.

Section I – Summary of Auditor’s Results

FINANCIAL STATEMENTS

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weaknesses identified	Yes
Significant deficiencies identified not considered to be material weaknesses	None reported
Noncompliance material to financial statements noted?	No

FEDERAL AWARDS

Internal control over major federal programs:	
Material weaknesses identified	Yes
Significant deficiencies identified not considered to be material weaknesses	Yes
Type of auditor's report issued on compliance for major programs:	Unmodified for all major programs except for the Housing Voucher Cluster and Emergency Rental Assistance Program, which were qualified.
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	Yes

Identification of major programs:

Name of Federal Program	Federal Financial Assistance Listing
Housing Voucher Cluster	14.871 / 14.879
WIOA Cluster	17.258 / 17.259 / 17.278
Health Center Program Cluster	93.224 / 93.527
Aging Cluster	93.041 / 93.042 / 93.043 / 93.044 / 93.045 / 93.052 / 93.053
Epidemiology and Laboratory Capacity for Infectious Diseases	93.323
Temporary Assistance for Needy Families	93.558
Emergency Rental Assistance Program	21.023
Dollar threshold used to distinguish between type A and type B programs:	\$3,000,000
Auditee qualified as low-risk auditee?	No

Section II – Financial Statement Findings

2022-001 Financial Reporting

Type of Finding: Material Weakness

Criteria:

Management is responsible for the preparation and fair presentation of the financial statements. Management is responsible for ensuring that all financial records and related information is reliable and properly recorded.

Condition:

During our audit, we identified one misstatement in the Health & Social Service fund to correct for the proper recognition of revenue and accounts receivable.

Additionally, management identified and corrected the beginning fiduciary net position of the custodial funds for an understatement of fiduciary net position presented in the previously issued financial statements.

Cause:

The County continues to experience staffing shortages impacting its ability to perform established internal control activities timely.

Effect:

Adjustments were necessary to fairly present the financial statements.

Recommendation:

We recommend that the County review and strengthen its procedures over the review of transactions and the financial statements.

Views of Responsible Officials and Planned Corrective Action:

Management agrees with the finding. See separate corrective action plan.

2022-002 Property Assessment Valuation Changes

Type of Finding: Material Weakness

Criteria:

Internal controls should be established to ensure that reviews and approvals of property assessment valuation changes prepared by the County's appraisers are documented.

Condition:

In a sample of 1 out of 40 property valuation assessment changes selected, the County was unable to provide evidence of management's review and approval of the valuation change.

Cause:

Management asserted that in some instances, the County's system for property valuation assessment changes does not retain evidence of management's review and approval.

Effect:

There is an increased risk of error or fraud if the property assessment valuation changes are not reviewed and documented.

Recommendation:

We recommend that management implement policies and procedures to document and retain evidence of the supervising appraisers review and approval of the assessment valuation changes.

Views of Responsible Officials and Planned Corrective Action:

Management agrees with the finding. See separate corrective action plan.

Section III – Federal Award Findings and Questioned Costs

2022-003 **Program:** Housing Voucher Cluster
Assistance Listing No.: 14.871, 14.879
Federal Agency: U.S. Department of Housing and Urban Development
Passed-through: n/a – direct award
Award Number and Year: CA131, 2021/2022

Compliance Requirement: Subrecipient Monitoring
Type of Finding: *Material Weakness in Internal Control over Compliance, Material Noncompliance*

Criteria:

2 CFR 200.331(a) establishes the required elements that the pass-through entity (County) must include in their subrecipient agreements.

2 CFR 200.331(b) establishes the requirement that the pass-through entity must evaluate the risk of noncompliance with Federal statutes, regulations, and terms and conditions of the program for each subaward for the purpose of determining the appropriate subrecipient monitoring activities.

2 CFR 200.331(d) and 2 CFR 200.331(e) establishes the requirement that the pass-through entity must monitor the activities of each subrecipient of program funds to ensure that the subaward is used for authorized purposes, complies with the terms and conditions of the subaward and achieves performance goals. 2 CFR 200.331(d) requires that the monitoring activities must include:

- 1) Reviewing of financial and performance reports as required by the pass-through entity.
- 2) Following-up and ensuring that the subrecipient takes timely and appropriate action on all deficiencies pertaining to the Federal award provided to the subrecipient from the pass-through entity detected through audits, on-site reviews, and other means.
- 3) Issuing a management decision for audit findings pertaining to the Federal award provided to the subrecipient from the pass-through entity as required by §200.521 Management decision.

2 CFR 200.331(f) establishes the requirement for the pass-through entity to verify whether the subrecipient is subject to a single audit when the subrecipient's expenditures are expected to exceed the threshold set forth in 2 CFR 200.501.

Condition:

In 1 out of 1 instance selected, we found that the subrecipient agreement did not contain the federal award identification elements required to be communicated by the County.

We found that the County did not have documented policies or procedures for the evaluation of the subrecipient's risk of noncompliance with program requirements prior to awarding the subrecipient contract. We also found that the County did not have documented monitoring procedures to be followed based on the assessed level of risk of noncompliance. Furthermore, the County did not have documented procedures to verify whether the subrecipient was subject to a single audit. As a result, we found that in 1 out of 1 instance selected, a documented assessment of the subrecipient's risk of noncompliance was not performed. In this same instance, a documented review of whether the subrecipient was subject to a single audit was also not performed.

Cause:

The County did not have documented policies and procedures over subrecipient monitoring to ensure that the required risk assessments and monitoring procedures were performed. The County's subrecipient contracting procedures also did not require the inclusion of the required elements.

Effect:

The County did not include all the required elements in their subawards and did not perform appropriate monitoring procedures over the subrecipients.

Questioned Costs:

No known questioned costs identified.

Context/Sampling:

We selected 100% of the County's subrecipients of the program.

Repeat Finding from Prior Year(s):

Yes, prior year finding 2021-004.

Recommendation:

We recommend that the County establish documented policies and procedures over subrecipient monitoring, including a documented risk assessment, monitoring procedures, and contract reviews.

Views of Responsible Officials:

Management agrees with the finding. See separate corrective action plan.

2022-004 **Program:** Housing Voucher Cluster
Assistance Listing No.: 14.871, 14.879
Federal Agency: U.S. Department of Housing and Urban Development
Passed-through: n/a – direct award
Award Number and Year: CA131, 2021/2022

Compliance Requirement: Reporting
Type of Finding: *Material Weakness in Internal Control over Compliance, Material Noncompliance*

Criteria:

2 CFR 200.303(a) establishes that the auditee must establish and maintain effective internal control over the federal award that provides assurance that the entity is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award. 2 CFR Part 170 establishes requirements for recipients’ reporting of information on subawards as required by the Federal Funding Accountability and Transparency Act of 2006 (FFATA).

Condition:

We identified that the FFATA reporting was not completed as required by 2 CFR Part 170 for the following instances:

Transactions Tested	Subaward Not Reported	Report Not Timely	Subaward Amount Incorrect	Subaward Missing Key Elements
1	1	1	1	1

Dollar Amount of Tested Transactions	Subaward Not Reported	Report Not Timely	Subaward Amount Incorrect	Subaward Missing Key Elements
\$2,765,946	\$2,765,946	\$2,765,946	\$2,765,946	\$2,765,946

Cause:

Management asserted that the agreement had been in place for greater than 10 years and had no reason to be updated. Management has also asserted that they do not have access to submit the FFATA reports.

Effect:

Ineffective controls over this area of compliance could result in reports that are inaccurate, or incomplete being submitted to the federal agency.

Questioned Costs:

No questioned costs were identified as a result of our procedures.

Context/Sampling:

We tested 100% of all subrecipients.

Repeat Finding from Prior Year(s):

Yes, prior year finding 2021-005.

Recommendation:

We recommend that management strengthen their processes and procedures related to the submission of the required FFATA reports to ensure compliance with the program requirements. We also recommend that management establish documented review of the required FFATA reports by an individual other than the preparer prior to submission and retain record of the review and submission.

Views of Responsible Officials:

Management agrees with the finding. See separate corrective action plan.

2022-005

Program: Temporary Assistance for Needy Families

Assistance Listing No.: 93.558

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

Passed-through: California Department of Social Services

Award Number and Year: 1946001347 A7, 2021/2022

Compliance Requirement: Allowable Costs, Eligibility and Special Tests and Provisions

Type of Finding: *Material Weakness in Internal Control over Compliance, Instances of Noncompliance*

Criteria:

Per the 2022 OMB Compliance Supplement, agencies are required to maintain eligibility records including documents to support the agency's eligibility determination and information about each individual and benefits paid to or on behalf of the individual. In addition, it is required that eligibility determinations and redeterminations, including obtaining any required documentation and verifications, are performed annually to determine if individuals are eligible in accordance with the compliance requirements of the program.

Condition:

As a result of our eligibility testing, we noted the following:

- Two (2) out of 60 cases tested were missing the annual redetermination for the reevaluation of their benefits and eligibility requirements.
- 31 out of 60 cases the evidence of the review of the Income Eligibility and Verification System (IEVS) report were not documented during the applicable or annual redetermination applicable to the fiscal year.

Cause:

The County's policies and procedures did not ensure that 1) timely redeterminations are performed for all program recipients, and 2) IEVS reports are reviewed for all application/redeterminations.

Effect:

The lack of performance of timely eligibility redetermination and supporting documentation for eligibility determinations could result in ineligible individuals receiving benefits and increase the risk of noncompliance with the program

Questioned Costs:

We identified known questioned costs of \$1,731.

Context/Sampling:

The condition noted above was found during our testing procedures over allowed costs, eligibility and special tests and provisions. A sample of 60 benefit payments out of a population 38,950 were selected for testing. This represented \$42,512 of benefit payments out of \$7,048,799.

In two (2) out of 60 cases, we found that the County did not maintain evidence of its annual re-determination for the re-evaluation of their benefits and eligibility requirements. The individuals are still receiving benefits.

In 31 out of 60 cases, we found that the review of the IEVS was not documented during the application or annual re-determination applicable to the fiscal year. However, we found that the related recipients/cases were eligible.

Repeat Finding from Prior Year(s):

No.

Recommendation:

We recommend that the County strengthen its current policies and procedures with regards to eligibility redeterminations, required documentation, and maintenance of participant file and ensure that such policies and procedures are formally documented.

Views of Responsible Officials:

Management agrees with the finding. See separate corrective action plan.

2022-006

Program: Emergency Rental Assistance Program

Assistance Listing No.: 21.023

Federal Agency: U.S. Department of the Treasury

Passed-through: n/a – direct award

Award Number and Year: Not Applicable, 2021/2022

Compliance Requirement: Eligibility

Type of Finding: *Significant Deficiency, Instance of Noncompliance*

Criteria:

The Consolidated Appropriations Act, 2021, for Emergency Rental Assistance Program (ERA) requires the entity to establish and document their policies and procedures for determining a household's eligibility to include policies and procedures for determining the prioritization of households in compliance with the statute and maintain records of their determinations. Within those policies, the grantee is required to specify under what circumstances they will accept written attestations from the applicant without further documentation to determine any aspect of eligibility or the amount of assistance, and in such cases, grantees must have in place reasonable validation or fraud-prevention procedures to prevent abuse.

Condition:

The County's policy and procedures for eligibility determination did not incorporate policies and procedures specifying under what circumstances they will accept written attestations from the applicant without further documentation to determine any aspect of eligibility or the amount of assistance.

Cause:

The County did not formulate complete policies and procedures for the program.

Effect:

The County's policies and procedures were incomplete.

Questioned Costs:

None identified.

Context/Sampling:

This instance was identified through our review of the County's policies and procedures.

Repeat Finding from Prior Year:

No.

Recommendation:

We recommend the County revise its policies and procedures for the program.

Views of Responsible Officials:

Management agrees with the finding. See separate corrective action plan.

2022-007

Program: Emergency Rental Assistance Program

Assistance Listing No.: 21.023

Federal Agency: U.S. Department of the Treasury

Passed-through: n/a – direct award

Award Number and Year: Not Applicable, 2021/2022

Compliance Requirement: Reporting

Type of Finding: *Material Weakness in Internal Control over Compliance, Instances of Noncompliance*

Criteria:

2 CFR 200.303(a) requires that the 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.

Condition:

We noted that reports were submitted for the program did not go through a review process. Furthermore, we identified two instances in which quarterly report amounts were not accurately reported.

We identified two instances in which amounts reported were inaccurate. In both instances, we found that the cumulative expenditures reported did not agreed to the underlying accounting records. In one instance, we found that the County incorrectly reported cumulative obligations and cumulative expenditures as zero.

Cause:

The County did not establish a review and approval process for the reports submitted for the program.

Effect:

The County's reports did not go through a review process. Amounts were not accurately reported.

Questioned Costs:

None noted.

Context/Sampling:

These instances were identified through our procedures over compliance with the Uniform Guidance for reporting. A sample of 6 (2 quarterly, 4 monthly) reports out of a population of 16 (2 quarterly and 12 monthly) were selected for testing.

Repeat Finding from Prior Year:

No.

Recommendation:

We recommend that the County strengthen its internal controls to ensure that reports are subject to review prior to submission and maintain evidence of a review and approval.

Views of Responsible Officials:

Management agrees with the finding. See separate corrective action plan.

2022-008 **Program:** Emergency Rental Assistance Program
Assistance Listing No.: 21.023
Federal Agency: U.S. Department of the Treasury
Passed-through: n/a – direct award
Award Number and Year: Not Applicable, 2021/2022

Compliance Requirement: Subrecipient Monitoring
Type of Finding: *Material Weakness in Internal Control over Compliance, Material Noncompliance*

Criteria:

2 CFR 200.331(a) establishes the required elements that the pass-through entity (County) must include in their subrecipient agreements.

2 CFR 200.331(b) establishes the requirement that the pass-through entity must evaluate the risk of noncompliance with Federal statutes, regulations, and terms and conditions of the program for each subaward for the purpose of determining the appropriate subrecipient monitoring activities.

2 CFR 200.331(d) and 2 CFR 200.331(e) establishes the requirement that the pass-through entity must monitor the activities of each subrecipient of program funds to ensure that the subaward is used for authorized purposes, complies with the terms and conditions of the subaward and achieves performance goals. 2 CFR 200.331(d) requires that the monitoring activities must include:

1. Reviewing of financial and performance reports as required by the pass-through entity.
2. Following-up and ensuring that the subrecipient takes timely and appropriate action on all deficiencies pertaining to the Federal award provided to the subrecipient from the pass-through entity detected through audits, on-site reviews, and other means.
3. Issuing a management decision for audit findings pertaining to the Federal award provided to the subrecipient from the pass-through entity as required by §200.521 Management decision.

2 CFR 200.331(f) establishes the requirement for the pass-through entity to verify whether the subrecipient is subject to a single audit when the subrecipient's expenditures are expected to exceed the threshold set forth in 2 CRF 200.501.

Condition:

In 1 out of 1 instance selected, we found that the subrecipient agreement did not contain the federal award identification elements required to be communicated by the County.

We found that the County did not have documented policies or procedures for the evaluation of the subrecipient's risk of noncompliance with program requirements prior to awarding the subrecipient contract. We also found that the County did not have documented monitoring procedures to be followed based on the assessed level of risk of noncompliance. Furthermore, the County did not have documented procedures to verify whether the subrecipient was subject to a single audit. As a result, we found that in 1 out of 1 instance selected, a documented assessment of the subrecipient's risk of noncompliance was not performed. In this same instance, a documented review of whether the subrecipient was subject to a single audit was also not performed.

Cause:

The County did not have documented policies and procedures over subrecipient monitoring to ensure that the required risk assessments and monitoring procedures were performed. The County's subrecipient contracting procedures also did not require the inclusion of the required elements.

Effect:

The County did not include all the required elements in their subawards and did not perform appropriate monitoring procedures over the subrecipients.

Questioned Costs:

None noted.

Context/Sampling:

We selected 100% of the County's subrecipients of the program. \$6,177,719 was paid to the subrecipient during the fiscal year.

Repeat Finding from Prior Year:

No.

Recommendation:

We recommend that the County establish documented policies and procedures over subrecipient monitoring, including a documented risk assessment, monitoring procedures, and contract reviews.

Views of Responsible Officials:

Management agrees with the finding. See separate corrective action plan.

2022-009 **Program:** Epidemiology and Laboratory Capacity for Infectious Diseases
Assistance Listing No.: 93.323
Federal Agency: U.S. Department of Health and Human Services
Passed-through: California Department of Public Health
Award Number and Year: 0187.5280 ELC CARES, COVID-19ELC48, COVID-19ELC106, 187.3408, 2021/2022

Compliance Requirement: Reporting
Type of Finding: *Material Weakness in Internal Control over Compliance*

Criteria:

2 CFR 200.303(a) requires that the 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.

Condition:

Out of 4 reports sampled, we noted four (4) instances where the review and approval of the submitted reports was not documented.

Cause:

The County’s internal control environment was impacted by a shortage of staff necessary to fully conduct the program.

Effect:

The County’s reports on the awards were not reviewed for accuracy.

Questioned Costs:

None noted.

Context/Sampling:

We selected four (4) reports out of eight (8) submitted.

Repeat Finding from Prior Year:

No.

Recommendation:

We recommend that the County establish documented policies and procedures over reporting.

Views of Responsible Officials:

Management agrees with the finding. See separate corrective action plan.

2022-010

Program: Epidemiology and Laboratory Capacity for Infectious Diseases

Assistance Listing No.: 93.323

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

Passed-through: California Department of Public Health

Award Number and Year: 0187.5280 ELC CARES, COVID-19ELC48, COVID-19ELC106, 187.3408, 2021/2022

Compliance Requirement: Procurement, Suspension and Debarment

Type of Finding: *Material Weakness in Internal Control over Compliance, Instances of Noncompliance*

Criteria:

Per 2 CFR part 200, subpart D, section 200.303, the nonfederal entity must establish and maintain effective internal control over the federal award that provides reasonable assurance that the nonfederal entity is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award.

Prior to entering into subawards and contracts with award funds, recipients must verify that such contractors and subrecipients are not suspended, debarred, or otherwise excluded pursuant to 31 CFR section 19.300

Condition:

Out of 7 reports procurements sampled, we noted 4 instances where there was no evidence that management performed a verification of tested covered transactions by checking the EPLS and management did not obtain a certification or added a clause or condition to the covered transaction.

Cause:

While aware of the requirements, the County did not have internal controls in place to ensure compliance with the procurement and suspension and debarment requirements.

Effect:

Noncompliance requirements for entering into contracts with vendors could result in disbursement of Federal funds to suspended or debarred parties.

Questioned Costs:

None noted.

Context/Sampling:

A nonstatistical sample of 7 out of 32 contracts were selected.

Repeat Finding from Prior Year:

No.

Recommendation:

We recommend that the County implement policies and procedures to ensure procurement methods are properly documented, and to verify SAM registration status of potential vendors, collect certification from potential vendors, or include a clause or condition to the contract to verify that entities to which the County is awarding Federal funds is not suspended or debarred. We also recommend that management review its current vendors to ensure they are not suspended or debarred and maintain documentation of the verification procedure performed.

Views of Responsible Officials:

Management agrees with the finding. See separate corrective action plan.

2022-011

Program: WIA/WIOA Cluster

Assistance Listing No.: 17.258, 17.259, 17.278

Federal Agency: US Department of Labor

Passed-through: State of California Employment Development Department (EDD)

Award Year and Number: AA011039, AA111039, AA211039, AA311039, 2021/2022

Compliance Requirement: Reporting

Type of Finding: *Material Weakness in Internal Control over Compliance, Instances of Noncompliance*

Criteria:

2 CFR 200.303(a) establishes that the auditee must establish and maintain effective internal control over the federal award that provides assurance that the entity is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award.

Condition:

We identified one (1) instance in which a required financial report was not submitted, and one (1) instance in which amounts were incomplete/inaccurately reported.

Cause:

The County did not have procedures in place over these reports to ensure that all required financial reports were submitted and that financial reports were complete and accurate prior to submission.

Effect:

By not having procedures in place to ensure that 1) all required reports are submitted and 2) reports are complete and accurately prepared, this increases the County's risk of noncompliance with the program.

Questioned Costs:

We identified no questioned costs in our tests of compliance with this requirement.

Context/Sampling:

The condition noted above was found during our testing procedures over reporting. A sample of 14 out of 65 reports were selected.

Repeat Finding from Prior Year(s):

No.

Recommendation:

We recommend that the County review its policies and procedures with regards to the preparation and submission of reports.

Views of Responsible Officials:

Management agrees with the finding. See separate corrective action plan.

Summarized below is the current status of findings reported in the prior year’s schedule of audit findings and questioned costs.

Finding No.	Program/Cluster	Assistance Listing No.	Compliance Requirement	Status
2021-001	Section 8 Housing Choice Vouchers	21.019	Other	Implemented
2021-002	COVID-19 Coronavirus Relief Fund	21.019	Subrecipient Monitoring	Implemented
2021-003	COVID-19 Coronavirus Relief Fund	21.019	Other	Implemented
2021-004	Section 8 Housing Choice Vouchers	14.871	Subrecipient Monitoring	Not implemented. See Finding 2022-003
2021-005	Section 8 Housing Choice Vouchers	14.871	Reporting	Not implemented. See Finding 2022-004

County of Solano, California
Supplemental Schedule of the Office of California State Department of Aging Grants
For the Fiscal Year Ended June 30, 2022

I. AREA PLAN *

Federal Grantor/Program Title	CFDA Number	Contract Number	Federal Expenditures	State Expenditures	Total Expenditures
Special Programs for the Aging, Title VII, Chapter 3, Programs for Prevention of Elder Abuse, Neglect, and Exploitation	93.041	AP-2122-28	\$ 8,555	\$ -	\$ 8,555
Special Programs for the Aging, Title VII, Chapter 2, Long-Term Care Ombudsman Services for Older Individuals	93.042	AP-2122-28	68,778	-	68,778
Special Programs for the Aging, Title III, Part D, Disease Prevention and Health Promotion Services	93.043	AP-2122-28	29,825	-	29,825
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	AP-2122-28	921,220	-	921,220
Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045	AP-2122-28	1,063,797	608,893	1,672,690
National Family Caregiver Support, Title III, Part E	93.052	AP-2122-28	319,069	-	319,069
Nutrition Services Incentive Program	93.053	AP-2122-28	258,124	-	258,124
General Fund IIIB (Ombudsman)	N/A	AP-2122-28	-	330,647	330,647
Public Health L&C Program Fund (PHL&C Ombudsman)	N/A	AP-2122-28	-	2,317	2,317
State Health Facilities Citation Penalties Account (SHF Cit Pen Ombudsman)	N/A	AP-2122-28	-	29,341	29,341
State Nursing Facilities Quality and Accountability (SNFQAF Ombudsman)	N/A	AP-2122-28	-	24,539	24,539
			<u>\$ 2,669,368</u>	<u>\$ 995,737</u>	<u>\$ 3,665,105</u>

II. OTHER FUNDING *

Federal Grantor/Program Title	CFDA Number	Contract Number	Federal Expenditures	State Expenditures	Total Expenditures
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (CalFresh/SNAP-ED)	10.561	SP-2021-28	\$ 50,464	\$ -	\$ 50,464
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (CalFresh/SNAP-ED)	10.561	SP-2122-28	66,622	-	66,622
Special Programs for the Aging, Title VII, Chapter 2, Long-Term Care Ombudsman Services for Older Individuals	93.042	CARES	3,284	-	3,284
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	CARES	113,289	-	113,289
Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045	CARES	485,349	-	485,349
National Family Caregiver Support, Title III, Part E	93.052	CARES	122,881	-	122,881
Special Programs for the Aging, Title VII, Chapter 2, Long-Term Care Ombudsman Services for Older Individuals	93.042	CARES	3,423	-	3,423
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	CARES	29,520	-	29,520
Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045	CAA	214,994	-	214,994
State General Fund - Dignity at Home Fall Prevention Program	N/A	Dignity FP	-	12,545	12,545
			<u>\$ 1,089,826</u>	<u>\$ 12,545</u>	<u>\$ 1,102,371</u>

Note:

* Payments to subrecipients are reported when disbursed (cash basis of accounting), in accordance with the requirements of the Uniform Guidance.