

Federal Awards Reports in Accordance
with the Uniform Guidance
For the Fiscal Year Ending June 30, 2019
County of Solano, California

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* 1

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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 then ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the County’s basic financial statements and have issued our report thereon dated December 18, 2019.

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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses.

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 result 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.

A handwritten signature in black ink that reads "Eide Sully LLP". The signature is written in a cursive, flowing style.

Sacramento, California
December 18, 2019



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

We have audited the County of Solano, 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, 2019. The County’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

Management’s Responsibility

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

Auditor’s Responsibility

Our responsibility is to express an opinion on compliance for each of the County’s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the County’s compliance.

Opinion on Each Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

Other Matter

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 2019-001 through 2019-003. 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 corrective action plan. The County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

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

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

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 and significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, described in the accompanying schedule of findings and questioned costs as items 2019-002 and 2019-003 that we consider to be significant deficiencies.

The County's response to the internal control over compliance findings identified in our audit is described in the accompanying corrective action plan. 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 Supplemental Schedule of Office of California State Department of Aging Grants

We have audited 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 as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated December 18, 2019, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. The supplemental schedule of Office of California State Department of Aging Grants is presented for purposes 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 expenditures of federal awards and supplemental schedule of 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.

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

Sacramento, California
January 31, 2019

County of Solano, California
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2019

Federal Agency	Pass-Through Agency CFDA Program Title or Cluster	CFDA No.	Pass-through or Direct Entity Award ID	Federal Expenditures	Expenditures 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	18-8506-1211-CA	\$ 122,134	\$ -
	Plant and Animal Disease, Pest Control, and Animal Care	10.025	18-8506-1317-CA	15,092	
	Plant and Animal Disease, Pest Control, and Animal Care	10.025	18-8506-1164-CA	2,094	
	Plant and Animal Disease, Pest Control, and Animal Care	10.025	18-8506-0572-CA	28,755	
	Plant and Animal Disease, Pest Control, and Animal Care	10.025	18-8506-0484-CA	92,008	
	Total Plant and Animal Disease, Pest Control, and Animal Care			<u>260,083</u>	<u>-</u>
California Department of Education					
Child Nutrition Cluster:					
	School Breakfast Program	10.553	48-10488-6051569-01	25,860	
	National School Lunch Program	10.555	48-10488-6051569-01	46,670	
	Total Child Nutrition Cluster			<u>72,530</u>	<u>-</u>
California Department of Public Health (CDPH)					
	Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	4265	2,475,535	-
SNAP Cluster:					
	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	SP-1819-28	47,250	41,086
	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	4265	453,591	212,016
California Department of Social Services (CDSS)					
	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	1946001347 A7	8,600,990	
	State Administrative Matching Grants for CalFresh Program/CALWIN	10.561	1946001347 A7	345,154	
	Total SNAP Cluster			<u>9,446,985</u>	<u>253,102</u>
California Department of Food and Agriculture (CDFA)					
	Forest Health Protection	10.680	14-DG-11052021-204	443	-
US Department of Agriculture (USDA) Total				<u>12,255,576</u>	<u>253,102</u>
US Department of Housing and Urban Development (HUD)					
Direct Programs:					
Section 8 Project-Based Cluster:					
	Section 8 Housing Assistance Payments Program	14.195	CA131 1419L9T181601; 1326L9T181602;	2,295,884	2,295,884
	Continuum of Care Program	14.267	1417L9T181601	38,559	
US Department of Housing and Urban Development (HUD) Total				<u>2,334,443</u>	<u>2,295,884</u>
US Department of Justice (DOJ)					
Direct Programs:					
	2019 Domestic Cannabis Eradication Suppression Program	16.U01	Not Applicable	1,829	
	Safe Streets Violent Crimes Initiative	16.U03	Not Applicable	17,746	
	2018 Domestic Cannabis Eradication Suppression Program	16.U02	Not Applicable	18,681	
	Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program	16.590	Not Applicable	25,710	25,710
	State Criminal Alien Assistance Program (SCAAP)	16.606	Not Applicable	232,217	
	Equitable Sharing Program	16.922	Not Applicable	61,611	28,932
	Direct Programs Subtotal			<u>357,794</u>	<u>54,642</u>
Pass-Through Programs:					
California Office of Emergency Services (CalOES)					
	Paul Coverdell Forensic Sciences Improvement Program	16.742	CQ18070480	5,640	
	Crime Victim Assistance	16.575	VW18370480	485,154	
	Crime Victim Assistance	16.575	XC16010480	154,544	
	Crime Victim Assistance	16.575	XV15010480	148,295	
	Subtotal Crime Victim Assistance			<u>787,993</u>	<u>-</u>
	Pass-Through Programs Subtotal			<u>793,633</u>	<u>-</u>
US Department of Justice (DOJ) Total				<u>1,151,427</u>	<u>54,642</u>

County of Solano, California
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2019

Federal Agency	Pass-Through Agency CFDA Program Title or Cluster	CFDA No.	Pass-through or Direct Entity Award ID	Federal Expenditures	Expenditures to Subrecipients
US Department of Labor (DOL)					
Pass-Through Programs:					
State of California Employment Development Department (EDD)					
WIA/WIOA Cluster:					
	WIA/WIOA Adult Program	17.258	K9110061	\$ 876,035	\$ -
	WIA/WIOA Adult Program	17.258	K8106686	512,337	
	WIA/WIOA Adult Program	17.258	K7102074	213,363	
	Subtotal			<u>1,601,735</u>	<u>-</u>
	WIA/WIOA Youth Activities	17.259	K8106686	396,597	
	WIA/WIOA Youth Activities	17.259	K9110061	609,428	
	Subtotal			<u>1,006,025</u>	<u>-</u>
	WIA/WIOA Dislocated Worker Formula Grants	17.278	K8106686	545,368	
	WIA/WIOA Dislocated Worker Formula Grants	17.278	K9110061	1,036,600	
	Subtotal			<u>1,581,968</u>	<u>-</u>
	Total WIA/WIOA Cluster			<u>4,189,728</u>	<u>-</u>
US Department of Labor (DOL) Total				<u>4,189,728</u>	<u>-</u>
US Department of Transportation (DOT)					
Direct Programs:					
	Airport Improvement Program	20.106	Not Applicable	435,918	
Pass-Through Programs:					
California Department of Transportation (CalTrans)					
Highway Planning and Construction Cluster:					
	Highway Planning and Construction	20.205	5923	2,272,236	
	Total Highway Planning and Construction Cluster			<u>2,272,236</u>	<u>-</u>
California Office of Traffic Safety (OTS)					
	Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	AL19011Solano	234,619	
Highway Safety Cluster:					
	National Priority Safety Programs	20.616	D119020	196,213	
	National Priority Safety Programs	20.616	D118027	66,458	
	Total Highway Safety Cluster			<u>262,671</u>	<u>-</u>
US Department of Transportation (DOT) Total				<u>3,205,444</u>	<u>-</u>
US Department of Education (DOE)					
Pass-Through Programs:					
California Department of Education					
	Rehabilitation Services-Vocational Rehabilitation Grants to States	84.126	30452	2,029	
US Department of Education (DOE) Total				<u>2,029</u>	<u>-</u>
US Department of Health and Human Services					
Direct Programs:					
Health Centers Cluster:					
	Consolidated Health Centers (Community Health Centers, Migrant Health Centers, Health Care for the Homeless, and Public Housing Primary Care)	93.224	Not Applicable	1,269,359	
	Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease	93.918	Not Applicable	361,341	
	Direct Programs Subtotal			<u>1,630,700</u>	<u>-</u>

County of Solano, California
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2019

Federal Agency	Pass-Through Agency				
	CFDA Program Title or Cluster	CFDA No.	Pass-through or Direct Entity Award ID	Federal Expenditures	Expenditures to Subrecipients
US Department of Health and Human Services (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-1819-28, 18AACAT7EA, 1901CAOAEA-01	\$ 793	\$ 793
	Special Programs for the Aging, Title VII, Chapter 2, Long Term Care Ombudsman Services for Older Individuals	93.042	AP-1819-28, 18AACAT7OM, 1901CAOAOAOM-01	40,251	40,251
	Special Programs for the Aging, Title III, Part D, Disease Prevention and Health Promotion Services	93.043	AP-1819-28, 18AACAT3PH, 1901CAOAPH-01	19,557	19,557
	Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	AP-1819-28, 18AACAT3SS, 1901CAOASS-01	397,700	397,700
	Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045	AP-1819-28, 18AACAT3CM, 18AACAT3HD, 1901CAOACM-01,	676,627	676,627
	National Family Caregiver Support, Title III, Part E	93.052	1901CAOAHD-01 AP-1819-28, 18AACAT3FC,	275,226	275,226
	Nutrition Services Incentive Program	93.053	1901CAOANS-01	140,933	140,933
	Total Aging Cluster			<u>1,551,087</u>	<u>1,551,087</u>
California Department of Public Health (CDPH)					
	Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements.	93.069	4265	377,170	
	National Bioterrorism Hospital Preparedness Program	93.889	4265	209,370	
	Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	4265	53,093	
	Childhood Lead Poisoning Prevention Projects, State and Local Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children	93.197	4265	22,703	
	Prevention and Public Health Fund (Affordable Care Act) Immunization Program	93.539	4265	154,767	
	Affordable Care Act (ACA) Maternal, Infant, and Early Childhood Home Visiting Program	93.505	4265	827,746	
	State and Local Public Health Actions to Prevent Obesity, Diabetes, Heart Disease and Stroke (PPHF)	93.757	4265	74,353	
	HIV Care Formula Grants	93.917	4265	125,348	124,257
	HIV Prevention Activities_Health Department Based	93.940	4265	126,028	7,853
	Maternal and Child Health Services Block Grant to the States	93.994	4265	1,155,854	157,224
California Department of Social Services (CDSS)					
	Guardianship Assistance	93.090	1946001347 A7	470,105	
	Promoting Safe and Stable Families	93.556	1946001347 A7	<u>68,730</u>	<u>-</u>

County of Solano, California
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2019

Federal Agency				
Pass-Through Agency		Pass-through or Direct	Federal	Expenditures to
CFDA Program Title or Cluster	CFDA No.	Entity Award ID	Expenditures	Subrecipients
US Department of Health and Human Services (Continued)				
Pass-Through Programs (Continued):				
California Department of Social Services (CDSS) (Continued)				
TANF Cluster:				
Temporary Assistance for Needy Families	93.558	1946001347 A7	\$ 20,764,667	\$ 3,446,098
Total TANF Cluster			<u>20,764,667</u>	<u>3,446,098</u>
Refugee and Entrant Assistance_State Administered Programs				
Stephanie Tubbs Jones Child Welfare Services Program	93.566	1946001347 A7	10,901	
Foster Care_Title IV-E	93.645	1946001347 A7	163,738	
Adoption Assistance	93.658	1946001347 A7	6,409,483	2,144,415
Social Services Block Grant	93.659	1946001347 A7	3,373,226	
Chafee Foster Care Independence Program	93.667	1946001347 A7	597,016	
Chafee Foster Care Independence Program	93.674	1946001347 A7	128,528	
California Department of Child Support Services (DCSS)				
Child Support Enforcement	93.563	1-946001347-P-9	8,111,554	
California Department of Health Care Services (DHCS)				
Projects for Assistance in Transition from Homelessness (PATH)				
Block Grants for Community Mental Health Services	93.150	14-90354	65,709	
Block Grants for Prevention and Treatment of Substance Abuse	93.958	14-90354	527,567	441,534
Maternal and Child Health Services Block Grant to the States	93.959	14-90106	2,825,254	1,274,869
Medicaid Cluster:				
Medical Assistance Program	93.994	4265	1,163,542	
Medical Assistance Program	93.778	12-89399	3,612,161	
Medical Assistance Program	93.778	1946001347 A7 EP1383841/CMAA	21,832,876	
Medical Assistance Program	93.778	14-90042	627,356	
Total Medicaid Cluster			<u>26,072,393</u>	<u>-</u>
Pass-Through Programs Subtotal			<u>75,429,932</u>	<u>9,147,337</u>
US Department of Health and Human Services Total			<u>77,060,632</u>	<u>9,147,337</u>
Social Security Administration				
Direct Programs:				
Disability Insurance/SSI Cluster:				
Supplemental Security Income	96.006	Not Applicable	18,000	
Social Security Administration Total			<u>18,000</u>	<u>-</u>
US Department of Homeland Security				
Pass-Through Programs:				
California Office of Emergency Services (CaOES)				
Disaster Grants - Public Assistance Grants (Presidentially Declared Disasters)				
Emergency Management Performance Grants	97.036	095-00000	506,999	
Homeland Security Grant Program	97.042	095-00000	296,035	
City & County of San Francisco	97.067	095-00000	639,126	607,101
Homeland Security Grant Program	97.067	075-95017	104,590	74,684
Total Homeland Security Grant Program			<u>743,716</u>	<u>681,785</u>
US Department of Homeland Security Total			<u>1,546,750</u>	<u>681,785</u>
Total Expenditures of Federal Awards			<u>\$ 101,764,029</u>	<u>\$ 12,432,750</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, 2019. 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 on the Schedule are reported on the modified accrual basis of accounting. 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 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 elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

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.

Section I – Summary of Auditor’s Results

FINANCIAL STATEMENTS

Type of auditor's report issued on whether the financial statements audited were prepaid in accordance with GAAP:	Unmodified
Internal control over financial reporting:	
Material weaknesses identified	No
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	No
Significant deficiencies identified not considered to be material weaknesses	Yes
Type of auditor's report issued on compliance for major federal programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	Yes

Identification of major federal programs:

Name of Federal Program/Cluster	CFDA Number(s)
WIOA Cluster	17.258, 17.259, 17.278
TANF Cluster	93.558

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

Section II – Financial Statement Findings

None identified.

Section III – Federal Award Findings and Questioned Costs

Finding 2019-001

Program: WIOA Cluster

CFDA No.: 17.258, 17.259, 17.278

Federal Agency: U.S. Department of Labor

Passed-through: California Employment Development Department

Award Year: 2018-2019

Compliance Requirement: Matching, Earmarking, and Level of Effort

Criteria:

Per the 2019 OMB Compliance Supplement, not less than 20 percent of Youth Activity funds allocated to the local area, except for the local area expenditures for administration, must be used to provide paid and unpaid work experiences (Section 129(c)(4)), WIOA, 128 Stat. 1510).

Condition Found:

Instance of Non-Compliance – The Workforce Development Board (WDB) of the County of Solano (County) did not spend at least 20 percent of Youth Activity funds allocated to the local area under Grant Agreement #K8106686 on paid and unpaid work experiences.

Questioned Costs:

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

Context:

The condition noted above was identified during our procedures over Matching, Earmarking and Level of Effort. We found that the County had not spent the minimum 20% of Youth Activity funds allocated under the grant agreement on paid and unpaid work experiences.

Effect:

The County did not comply with the 20 percent requirement.

Cause:

The County's procedures and internal controls did not ensure compliance with the Matching, Earmarking, and Level of Effort requirements of the program.

Recommendation:

We recommend that the County strengthen its existing policies and procedures to ensure compliance with the program's requirements are monitored and maintained in accordance with the grant award and program.

Views of responsible officials and planned corrective actions:

Management's or Department's Response:

We concur with the finding. The Workforce Development Board (WDB) of Solano County has been aware of this issue and has been working to change program service delivery over the past two years to address this gap in spending. Addressing the youth work experience expenditure requirement has been a multi-year, multi-agency effort. The State of California, Employment Development Department (EDD) has also been aware and has been working with the WDB to increase spending per the WIOA 20 percent work experience expenditure requirement.

Views of Responsible Officials and Corrective Action Plan:

The WDB's developed a corrective action plan, shared with EDD, that led to new youth programming and a Request for Proposals (RFP). Beginning in summer 2018, the WDB began a youth pre-apprenticeship program that expended youth work experience funds. In addition, the WDB released an RFP for qualified applicants in March 2019 in order to contract out youth services, with a significant focus on work experience activities. The awardee, Solano County Office of Education (SCOE), began contractual services in June 2019 with a budget that includes 67% of the contract dedicated to work experience. The WDB also developed new policies and procedures surrounding WIOA youth service delivery and work experience activities to guide these new initiatives. With these two initiatives combined, the WDB expects a significant increase of expenditures in this category in Fiscal Year 2019-20 to fulfill the requirement.

Name of Responsible Individual(s):

Heather Henry, President/Executive Director of Workforce Development Board of Solano County
Marion Aiken, Workforce Services Director of Workforce Development Board of Solano County

Anticipated Implementation Date:

WDB is confident that Fiscal Year 2019-20's youth work experience expenditures will be close to the 20% expenditure goal and will fully be met by Fiscal Year 2020-21.

See separate corrective action plan.

Finding 2019-002

Program: TANF Cluster – Temporary Assistance for Needy Families Program

CFDA No.: 93.558

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

Passed-through: California Department of Social Services

Award Year: 2018-2019

Compliance Requirement: Eligibility

Criteria:

Per the *2019 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 Found:

Significant Deficiency, Instances of Noncompliance – As a result of our eligibility testing, we noted the following:

- 1 out of 60 cases where the eligibility re-determinations were not performed timely, but the individual is still receiving benefits.
- 6 out of 60 cases in which evidence of the review of the IEVS report was not documented during the applicable application or annual re-determination applicable to the fiscal year.

Questioned Costs:

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

Context:

The condition noted above was found during our testing procedures over eligibility.

In 1 out of 60 cases, we found that County did not perform the annual re-determination for the re-evaluation of their benefits and eligibility requirements. The individual is still receiving CalWORKs benefits.

In 6 out of 60 cases, we found that the review of the Income Eligibility and Verification System (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.

Effect:

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 non-compliance with the program.

Cause:

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

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 and planned corrective actions:

Management's or Department's Response:
We concur.

Views of Responsible Officials and Corrective Action Plan:

Timely Review of Redetermination (1 out of 60)

Solano County has policies and procedures as well as systematic processes set up to ensure that redeterminations are processed annually. This redetermination was not processed due to the combination of a new application being created on the case and an oversight by a worker.

It is Solano County's policy that the SAWS 2 Plus, Rights and Responsibilities and the Statement of Fact form be processed which require workers to:

- Review the SAWS 2 Plus and the Statement of Facts for completeness
- Initiate the required case action based upon information provided on the forms
- Insure that it has been signed and dated by the recipient
- Document the County Use Section which requires worker's signature and date

A redetermination of eligibility of the recipient shall be completed at least once every twelve (12) months. The annual CalWORKs Redetermination requires a face-to-face or telephone interview with the parent or person responsible for the child or the person having responsibility for the care and control of the child.

The specific actions of the plan are outlined below to prevent these errors from recurring:

- The Division Managers implemented a standard of 30 Supervisor case reviews per month. Supervisor case reviews are a valuable tool in assessing case accuracy and recognizing quality casework. The case reviews are used to develop and strengthen worker and supervisory skills, provide structure for measuring results, identify, correct and prevent errors, and strengthen accountability to the programs and services we deliver as an agency.
- The CalWORKs Program Specialist will provide in-service training on reviewing re-determinations for the following staff: Program Supervisors and Lead Workers for continuing CalWORKs units. Supervisors will be asked to spot check completed re-determinations to ensure the re-determination was fully processed. This training will be completed by 4/30/20.

Documentation of Income Eligibility and Verification System Review (6 out of 60)

It is Solano County's policy to maintain program integrity. Annually all CalWORKs (TANF) cases are required to be reviewed for eligibility using the Income and Eligibility Verification System (IEVS); workers are required to:

- Annually request from CalWIN a computer cross match of State wage data, Unemployment Insurance Benefit data, wage data maintained by the Social Security Administration, and unearned income data maintained by the Internal Revenue Services and/or Franchise Tax Board.
- Initiate the required case action and notices based on information received from the report, which includes generating adequate and timely notice.
- Review at least 3 prior months of Quarterly Reports to insure consistent reporting.

The specific actions of the plan are outlined below to prevent these errors from recurring:

- The CalWORKs Program Specialist provided in-service training on how to process IEVS for the following staff: Program Supervisors and Lead Workers. They received verbal and written procedures to share with their staff on the Recipient IEVS process and the correct procedures for signing appropriate forms. They will be instructed to train their staff at their next Unit Meeting to be completed by the end of April 30, 2020.
- Solano County is in the process of developing a report that captures when a redetermination has been authorized and the IEVS Report has not been processed. This report will be sent for processing to workers of the cases that meet this criterion for them to process the report and document that they've done so. We plan to have this report completed by April 30, 2020.

Conclusion and Summary

All of the cases cited as errors have since had applicant IEVS reviewed, and no overpayments or other payment inaccuracies were discovered.

Solano County is committed to improve the standards in regulatory application processes and requirements. Ongoing case review monitoring of application standards and in-service trainings are designed to improve CalWORKs program performance measures.

Name of Responsible Individual(s):

Marla Stuart, Deputy Director – Employment & Eligibility Health & Social Services Department

Anticipated Implementation Date:

April 30, 2020

See separate corrective action plan.

Finding 2019-003

Program: TANF Cluster – Temporary Assistance for Needy Families Program

CFDA No.: 93.558

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

Passed-through: California Department of Social Services

Award Year: 2018-2019

Compliance Requirement: Subrecipient Monitoring

Criteria:

2 CFR 200.331(b) establishes the requirement that the pass-through entity (the County Health and Social Services department) 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.

Condition Found:

Significant Deficiency, Instance of Noncompliance – We found that the County did not have documented policies or procedures for the evaluation of each subrecipient’s risk of noncompliance with program requirements for the fiscal year 2018/19 and found that the County did not adequately perform a documented risk assessment for three (3) out of three (3) sampled subawards effective in the fiscal year ended June 30, 2019.

We also found that the County’s subrecipient performance monitoring procedures did not include records to evidence the communication of the results of the performance monitoring activities to the responsible individual(s) of the subrecipient.

Questioned Costs:

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

Context:

The condition noted above was found during our testing procedures over subrecipient monitoring. The County did not have documented policies and procedures to assess the risk of subrecipient noncompliance with Federal statutes, regulations, and terms and conditions of subawards. However, the County asserted that a risk assessment was performed, but was not formally documented. The County subsequently documented their risk assessment policy and monitoring procedures and documented their risk assessment of the program subrecipients for the fiscal year 2018/19. We found that the County's monitoring activities that were conducted during the year to be in accordance with the subsequently adopted risk assessments and monitoring activities policies.

As a result of our testing over the County's performance monitoring procedures, we found that the County's records included periodic performance reports in accordance with their risk assessment and monitoring procedures. However, we found that the records did not include evidence of the communication of the results of the performance monitoring procedures to the subrecipient. Management indicated that the results were communicated to the subrecipients, but the communication was not formally documented.

Effect:

As a result of not documenting the performance of the County's assessment of the risk of the subrecipient's noncompliance with program requirements under 2 CFR 200.331(b), the County did not fully comply with the program requirements, and as a result, there is a risk that the subrecipient's noncompliance with program requirements is not identified and corrected timely.

Additionally, as a result of not retaining records to evidence the results of the performance monitoring procedures, this increases the risk of noncompliance with the requirements under 2 CFR 200.331(d).

Cause:

The County did not have documented risk assessment and monitoring procedures for subrecipients of the program for the fiscal year 2018/19. As stated above, management asserted that the risk assessment and monitoring activities were conducted but were not formally documented. The County's monitoring procedures for performance monitoring also does not include procedures for documenting and communicating the results of monitoring activities to the program subrecipients.

Recommendation:

We recommend that the County establish policies and procedures to ensure that risk assessments are conducted for all subrecipient awards as required under 2 CFR 200.331(b), and 2 CFR 200.331(d) through 2 CFR 200.331(f), and we recommend that the County establish procedures to communicate the results of performance monitoring procedures to program subrecipients.

Views of responsible officials and planned corrective actions:

Management's or Department's Response:

We concur.

Views of Responsible Officials and Corrective Action Plan:

Solano County agrees increased documentation of our policies and procedures will assist in maintaining consistent application of our subrecipient monitoring processes. Additionally, formalizing communications with subrecipients about results of monitoring activities and expected remediation will strengthen evidence of our oversight.

Written policies and procedures have been developed and are in the approval process. The policies and procedures are expected to be finalized during the third quarter of fiscal year 2019/20. These policies include each program developing formal documents appropriate for their program to communicate monitoring results and track expected remediations. The new documentation process is expected to be implemented for contracts effective July 1, 2020.

Name of Responsible Individual(s):

Gerald Huber, Director – Health and Social Services Department

Anticipated Implementation Date:

July 1, 2020

See separate corrective action plan.

County of Solano, California
Summary Schedule of Prior Audit Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2019

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

Finding No.	Program/Description	CFDA No.	Compliance Requirement	Status
2018-001	Medicaid Cluster - Medical Assistance Program	93.778	Eligibility	Implemented

County of Solano, California
 Supplemental Schedule of Office of California State Department of Aging Grants
 For the Fiscal Year Ended June 30, 2019

<u>Federal Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Contract Number</u>	<u>Federal Award Expenditures</u>	<u>State Expenditures</u>
Special Programs for the Aging, Title VII, Chapter 3, Programs for Prevention of Elder Abuse, Neglect, and Exploitation	93.041	AP-1819-28	\$ 793	\$ -
Special Programs for the Aging, Title VII, Chapter 2, Long Term Care Ombudsman Services for Older Individuals	93.042	AP-1819-28	40,251	-
Special Programs for the Aging, Title III, Part D, Disease Prevention and Health Promotion Services	93.043	AP-1819-28	19,557	-
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	AP-1819-28	397,700	-
Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045	AP-1819-28	676,627	58,861
National Family Caregiver Support, Title III, Part E	93.052	AP-1819-28	275,226	-
Nutrition Services Incentive Program	93.053	AP-1819-28	140,933	-
*General Fund IIIB (Ombudsman)	N/A	AP-1819-28	-	67,334
Public Health L&C Program Fund (PHL&C Ombudsman)	N/A	AP-1819-28	-	3,879
State Health Facilities Citation Penalties Account (SHF Cit Pen Ombudsman)	N/A	AP-1819-28	-	8,761
State Nursing Facilities Quality and Accountability (SNFQAF Ombudsman)	N/A	AP-1819-28	-	17,479
			<u>\$ 1,551,087</u>	<u>\$ 156,314</u>

*CDA State General Fund IIIB is listed in the ombudsman section of the CDA Area Plan Budget Display