

**SAN BERNARDINO COUNTY
SHERIFF'S DEPARTMENT**

**PROJECT SAFE NEIGHBORHOOD PROGRAM
GRANT AWARD #US10 03 0360**

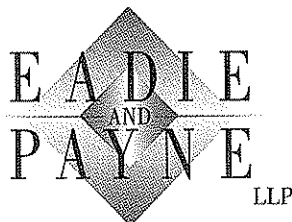
**FINANCIAL STATEMENT
WITH INDEPENDENT
AUDITORS' REPORT**

**FOR THE YEAR ENDED
SEPTEMBER 30, 2011**

SAN BERNARDINO COUNTY SHERIFF'S DEPARTMENT
PROJECT SAFE NEIGHBORHOOD PROGRAM
GRANT AWARD #US10 03 0360
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FOR THE YEAR ENDED SEPTEMBER 30, 2011

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*Certified Public Accountants
and
Business Advisors*

INDEPENDENT AUDITORS' REPORT

To the Board of Supervisors and
San Bernardino County Sheriff's Department
San Bernardino, California

We have audited the accompanying statement of grant revenue and expenditures of the San Bernardino County Sheriff's Department (Department), Project Safe Neighborhoods Program Grant in accordance with the California Emergency Management Agency grant award #US10 03 0360 for the year ended September 30, 2011. This statement is the responsibility of the Department's management. Our responsibility is to express an opinion on the statement based on our audit.

We conducted our audit 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 in accordance with the California Emergency Management Agency *2010 Recipient Handbook*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The accompanying statement of grant revenue and expenditures was prepared for the purpose of complying with the audit requirements of the California Emergency Management Agency *2010 Recipient Handbook* as described in Note 1 and is not intended to be a complete presentation of the Department's revenues and expenditures.

In our opinion, the statement referred to above presents fairly, in all material respects, the grant revenues and expenditures of the San Bernardino County Sheriff's Department Project Safe Neighborhoods Program Grant in accordance with the California Emergency Management Agency grant award #US10 03 0360 for the year ended September 30, 2011, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 27, 2012 on our consideration of the Department's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

This report is intended solely for the information and use of the County's Board of Supervisors, the San Bernardino County Sheriff's Department management, and the California Emergency Management Agency and is not intended to be, and should not be, used by anyone other than these specified parties.

Eadie and Payne, LLP

February 27, 2012
Redlands, California

SAN BERNARDINO COUNTY SHERIFF'S DEPARTMENT
 PROJECT SAFE NEIGHBORHOOD PROGRAM
 GRANT AWARD #US10 03 0360
 STATEMENT OF GRANT REVENUE AND EXPENDITURES
 FOR THE YEAR ENDED SEPTEMBER 30, 2011

REVENUE	
Reimbursements received/receivable	<u>\$20,000</u>
EXPENSES	
Salaries and benefits	20,000
Services and supplies	<u>-</u>
Total Expenses	<u>20,000</u>
Excess of Revenue Over Expenditures	<u><u>\$ -</u></u>

The accompanying notes are an integral part of the financial statement.

SAN BERNARDINO COUNTY SHERIFF'S DEPARTMENT
PROJECT SAFE NEIGHBORHOOD PROGRAM
GRANT AWARD #US10 03 0360
NOTES TO STATEMENT OF GRANT REVENUE AND EXPENDITURES
FOR THE YEAR ENDED SEPTEMBER 30, 2011

1. **ORGANIZATION**

A. **Description of the Reporting Entity**

The statement represents the grant revenue and expenditures of the San Bernardino County Sheriff's Department (Department), California Emergency Management Agency (Cal EMA) Project Safe Neighborhoods Program Grant Award #US10 03 0360 for the year ended September 30, 2011. The grant was funded by Cal EMA and administered by the San Bernardino County Sheriff's Department. The accompanying statement of grant revenue and expenditures presents only the activities of the California Project Safe Neighborhoods Program Grant Award #US10 03 0360 and is not intended to present the financial position of the San Bernardino County Sheriff's Department or the County of San Bernardino itself in conformity with accounting principles generally accepted in the United States of America.

B. **Description of Grant**

The grant funds were made available to the Department to reduce gun and gang-related crime by networking local programs that target gun and gang crime with state and federal efforts and providing those programs with the tools and resources they need to succeed.

2. **SIGNIFICANT ACCOUNTING POLICIES**

A. **Financial Reporting**

The preparation of this financial statement requires management to make estimates and assumptions. Those estimates and assumptions affect the reported amounts of revenue and expenditures, as well as the disclosure of contingent liabilities. Actual results could differ from those estimates.

B. **Statement of Grant Revenue and Expenditures**

The statement of grant revenue and expenditures presents the eligible costs charged to the Project Safe Neighborhoods Program Grant Award #US10 03 0360 by the Department and the revenue received in reimbursement of those costs by Cal EMA.

C. **Basis of Accounting**

Revenue and expenditures are presented on a modified accrual basis. Expenditures are recognized in the accounting period in which they are incurred, that is, when goods are received or services are provided. Revenue is recognized in the accounting period in which reimbursable expenditures are incurred.

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**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 and
San Bernardino County Sheriff's Department
San Bernardino, California

We have audited the statement of grant revenue and expenditures of the San Bernardino County Sheriff's Department (Department) Project Safe Neighborhood Program Grant in accordance with the California Emergency Management Agency (Cal EMA) Award #US10 03 0360 for the year ended September 30, 2011, and have issued our report thereon dated February 27, 2012. The grant was funded by Cal EMA and administered by the Department. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and in accordance with the *Cal EMA 2010 Recipient Handbook*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Department's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the statement of grant revenue and expenditures, but not for the purpose of expressing an opinion on the effectiveness of the Department's internal control over financial reporting for the Project Safe Neighborhood Program Grant. Accordingly, we do not express an opinion on the effectiveness of the Department's internal control over financial reporting.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the San Bernardino County Sheriff's Department Project Safe Neighborhood Program Grant statement of grant revenue and expenditures is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. Such provisions also included those provisions of laws identified in the *Cal EMA 2010 Recipient Handbook*. 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 instances of noncompliance that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses.

The Department's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. We did not audit the Department's responses and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the San Bernardino County Sheriff's Department management, the Board of Supervisors for the County of San Bernardino, and the California Emergency Management Agency and is not intended to be and should not be used by anyone other than these specified parties.

Eadie and Payne, LLP

February 27, 2012
Redlands, California

SAN BERNARDINO COUNTY SHERIFF'S DEPARTMENT
PROJECT SAFE NEIGHBORHOOD PROGRAM
GRANT AWARD #US10 03 0360
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED SEPTEMBER 30, 2011

Compliance and Other Matters

Reporting

Criteria: Section 13200 of the California Emergency Management Agency *2010 Recipient Handbook* requires all projects to submit a final progress report covering the last reporting period to Cal EMA. These are due 30 calendar days after the end of the reporting period.

Condition: The final progress report was due on October 30, 2011 but has not yet been submitted to Cal EMA.

Cause: The Department monitors but did not submit the final progress report to Cal EMA within 30 calendar days after the end of the reporting period.

Recommendation: We recommend that the Department institute a control to ensure timely submission of all required reports.

The Department's Response: The Department's Administrative Services Division Finance Unit is responsible for the financial monitoring for all grants. It is also responsible for assuring that grant files are audit ready. Therefore, to comply with the recommendation of this finding, the unit is updating the grant file checklist to include copies of progress reports from the Division in charge of grant program implementation. To ensure timely submission of required reports, the checklist will also indicate the due dates of the reports. The staff in charge of financial monitoring will follow up if copies of the progress reports are not received in a timely manner.

Employee timecards/sheets

Criteria: Section 11331 of the California Emergency Management Agency *2010 Recipient Handbook* requires that all grant-funded personnel must maintain time cards/sheets that indicate, on a daily basis, the actual time worked on each Cal EMA project and account for all the time worked by the employee during the pay period. Timecards/sheets must be signed by the employee and their supervisor.

Condition: The Department documents the actual time worked on the Project Safe Neighborhood Program Grant through its eTime time-entry system. At the end of each pay period, the eTime is to be submitted by the employee and approved by the supervisor. Additionally, if overtime is spent on a Cal EMA project an Employee Daily Overtime Worksheet accounts for the overtime spent on each project and is signed by the employee. During testing of grant expenditures, we noted one instance where the eTime was not submitted by the employee, but both submitted and approved by the supervisor. Additionally, the employee did not sign the Employee Daily Overtime Worksheet.

Cause: It appears that for some reason, the employee was not able to submit their eTime or sign their Employee Daily Overtime Worksheet on a timely basis. The Departments policy is to have the employee's supervisor submit their time for timely processing.

Recommendation: We recommend that in these situations, the Department institute a policy of printing the eTime report and have employees sign the printed copy and sign their Employee Daily Overtime Worksheets when they are able to return to the office.

The Department's Response: The Department's Administrative Services Division Finance Unit is responsible for the financial monitoring for all grants. It is also responsible for assuring that grant files are audit ready. Therefore, to comply with the recommendation of this finding, the staff in charge of the grant financial monitoring will ensure that grant file copies of Employee Daily Overtime Worksheets and eTime reports, submitted by other than the employee, are signed by the employees whose time is being claimed.

SAN BERNARDINO COUNTY SHERIFF'S DEPARTMENT
PROJECT SAFE NEIGHBORHOOD PROGRAM
GRANT AWARD #US10 03 0360
STATUS OF PRIOR-YEAR FINDINGS AND RESPONSES
SEPTEMBER 30, 2011

There were no findings or questioned costs for the year ended September 30, 2010.