

SAN BERNARDINO COUNTY AUDITOR-CONTROLLER/TREASURER/TAX COLLECTOR INTERNAL AUDITS DIVISION



COMMUNITY REVITALIZATION: FY21 SINGLE AUDIT FOLLOW-UP

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Mission Statement

This office is committed to serving our customers by processing, safeguarding, and providing information regarding the finances and public records of the County. We perform these functions with integrity, independent judgment, and outstanding service. We are accurate, timely, courteous, innovative, and efficient because of our well-trained and accountable staff.

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Community Revitalization: FY21 Single Audit Follow-Up

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San Bernardino County

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October 5, 2022

Martha Zepeda, Deputy Executive Officer
Community Revitalization
385 N. Arrowhead Avenue, 3rd Floor
San Bernardino, CA 92415-0043

RE: Community Revitalization – FY21 Single Audit Follow-Up

We have completed a follow-up audit of the implementation of the recommendation noted in the San Bernardino County Single Audit Report for the fiscal year ended June 30, 2021 (FY21) for Community Revitalization (Department). The objective of the audit was to determine if corrective actions for the Department’s FY21 Single Audit finding have been implemented. We conducted our audit in accordance with the International Standards for the Professional Practice of Internal Auditing established by the Institute of Internal Auditors.

We have provided a status of the audit finding identified in the Single Audit report issued on April 29, 2022. The Department has implemented corrective actions for the finding from the original audit report.

We sent a draft report to the Department on September 30, 2022.

We would like to express our appreciation to the personnel at the Community Revitalization who assisted and cooperated with us during this engagement.

Respectfully submitted,

Ensen Mason CPA, CFA
Auditor-Controller/Treasurer/Tax Collector
San Bernardino County

By: _____
Denise Mejico, CFE
Chief Deputy Auditor

Distribution of Audit Report:

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San Bernardino County Audit Committee

Date Report Distributed: October 5, 2022

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FY21 Single Audit Follow-Up

Title 2 U.S. Code of Federal Regulations (CFR) 200 "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards" (Uniform Guidance) requires nonfederal entities that expend \$750,000 or more of federal awards in a fiscal year to have a single or program specific audit. Eide Bailly, LLP, conducted the County's FY21 Single 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 the audit requirements of 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Eide Bailly, LLP issued the report on April 29, 2022. In accordance with the Uniform Guidance, the auditee is responsible for follow-up and corrective action on all audit findings.

Scope and Objective

Our audit examined Community Revitalization (Department) policies, procedures, and other corrective actions as of the date of fieldwork, June 10, 2022.

The objective of this follow-up audit was to determine if corrective actions for the department's FY21 Single Audit finding, as contained in the San Bernardino County's FY21 Single Audit report issued on April 29, 2022, have been implemented.

Methodology

In achieving the audit objective, the following audit procedures were performed, including but not limited to:

- Interviews of Department staff on policies, procedures, and processes relevant to the areas being reviewed.
- Review of the Department's policies and procedures.



Prior Finding 2021-002

Program: COVID-19 Emergency Rental Assistance Program

CFDA No.: 21.023

Federal Grantor: U.S. Department of Treasury

Award No. and Year: 1505-0266 (2021)

Compliance Requirements: Other

Type of Finding: Significant Deficiency in Internal Control and Instance of Non-Compliance

The County made an advance payment to a subrecipient which was not originally reported on the SEFA. In accordance with Title 2 CFR 200.502, the federal expenditure and related compliance obligation occurred at the time of disbursement to the subrecipient.

Recommendation:

We recommend the County enhance controls to ensure federal expenditures and payments to subrecipients are reported as expenditures of federal awards at the time of disbursement.

Current Status: Implemented

As recommended, the Department has taken action to enhance controls to ensure more accurate reporting of federal awards. These controls include creating updated policies and procedures that include additional review and approval of reporting amounts to be verified against SAP cash and expenditure reports.