

# County of San Bernardino

Auditor-Controller/Treasurer/Tax Collector  
Internal Audits Section

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## Department of Behavioral Health: FY19 Single Audit Follow-Up



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# Auditor-Controller/Treasurer/Tax Collector

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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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## Audit Team

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Internal Auditor III



# Department of Behavioral Health

## FY19 Single Audit Follow-Up

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**December 11, 2020**

**Veronica Kelley, Director**  
Department of Behavioral Health  
303 E. Vanderbilt Way  
San Bernardino, CA 92415-0026

**SUBJECT: Department of Behavioral Health – FY19 Single Audit Follow-Up**

In compliance with Article V, Section 6, of the San Bernardino County Charter, we have completed a follow-up audit of the implementation of the recommendations noted in the County of San Bernardino’s Single Audit Report for the fiscal year ended June 30, 2019 (FY19) for Department of Behavioral Health (Department). The objective of the audit was to determine if corrective actions for the Department’s FY19 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 March 31, 2020. The Department has partially implemented corrective actions for the finding from the original audit report.

We sent a draft report to the Department on November 5, 2020.

We would like to express our appreciation to the personnel at the Department of Behavioral Health 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**

Chief Deputy Auditor

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### FY19 Single Audit Follow-Up

The Single Audit Act Amendments of 1996 and Office of Management and Budget (OMB) 2 CFR 200 *"Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards"* (Uniform Guidance) require nonfederal entities that expend \$750,000 or more of federal awards in a fiscal year to have a single or program specific audit. The County's external auditors, Eide Bailly LLP, conducted the County's FY19 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 Uniform Guidance. Eide Bailly LLP issued the report on March 31, 2020. 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 the Department's policies, procedures and other corrective actions as of the date of fieldwork, June 8, 2020.

The objective of this follow-up audit was to determine if corrective actions for the Department's FY19 Single Audit finding, as contained in the *County of San Bernardino FY19 Single Audit Report*, issued on March 31, 2020, have been implemented.

### Methodology

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

- Review of applicable laws, regulations and Department policies and procedures.
- Interview of Department staff on policies, procedures and processes relevant to the areas being reviewed.
- Review of pertinent documents.





### **Prior Finding 2019-005**

**Program:** Block Grants for Prevention and Treatment of Substance Abuse

**CFDA No.:** 93.959

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

**Passed-through:** California Department of Health Services

**Award Year:** FY 2018-19

**Compliance Requirements:** Subrecipient Monitoring

*Significant Deficiency, Instance of Non-Compliance* – of the 4 subawards selected for testing, certain required award information and applicable requirements were not provided at the time of the subaward.

The following information was not provided at the time of subaward for four subawards:

- Subrecipient's unique entity identifier
- Federal award identification number (FAIN)
- Federal award date of award to the recipient by the federal agency
- CFDA number and name
- Amount of federal funds obligated by this action by the pass-through entity to the subrecipient
- Total amount of federal funds obligated to the subrecipient by the pass through entity including the current obligation
- Identification of whether the award is Research and Development

### **Recommendation:**

Eide Bailly recommended that the County (Department of Behavioral Health) modify and/or strengthen its current policies and procedures to ensure that all required award information and applicable requirements are communicated to subrecipients at the time of subaward. Additionally, the Department of Behavioral Health should communicate the requirements of 2 CFR 200.331 for any existing subawards where these requirements have not been communicated. Records should be maintained demonstrating that such communications occurred.





**Current Status:** Partially Implemented

The Department has created a grant award notification letter template to strengthen its current policies and procedures to ensure that all required award information is communicated to subrecipients at the time of the subaward. However, the grant award notification letter template only addresses 12 out of 13 of the required elements of the subaward as specified in 2 CFR 200.331 of the Uniform Guidance. The Department did not include identification of whether the award is Research and Development (R&D) in the grant award notification template. In addition, the Department did not communicate the requirements of 2 CFR 200.331 by sending these letters out for any existing subawards where these requirements had not been communicated.

**Management's Response:**

Department of Behavioral Health has created a grant award notification letter template and processes and procedures to address the required elements of the subrecipient subaward notification, including whether the award is R&D. This letter will become a part of the budget template that will be included with all contracts awarded that contain Federal awards funding. In addition, a letter will be sent to subrecipients for Fiscal Year 2021 with a subaward notification containing relevant information.

**Auditor's Response:**

The Department's actions and planned actions will correct the deficiencies identified in the finding, moving forward. However, the Department has assumed the potential risk of not communicating the requirements of 2 CFR 200.331 by not sending these letters out for subawards existing at the time of the Single Audit report.