

COUNTY OF INYO
SINGLE AUDIT REPORT
JUNE 30, 2011

COUNTY OF INYO

Single Audit Report
For the Year Ended June 30, 2011

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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***

Board of Supervisors and Grand Jury
County of Inyo
Independence, California

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of Inyo, as of and for the year ended June 30, 2011, which collectively comprise the County's basic financial statements and have issued our report thereon dated July 27, 2012. Our report was modified to include a reference to other auditors. 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. Other auditors audited the financial statements of the First 5 Inyo County as described in our report on the County's financial statements. This report does not include the results of the other auditors' testing on internal control over financial reporting or compliance and other matters that are reported on separately by other auditors.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County of Inyo's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County'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 misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the County'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.

Board of Supervisors and Grand Jury
County of Inyo

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County of Inyo's financial statements are 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. 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*.

This report is intended solely for the information and use of management, the Board of Supervisors, the Grand Jury, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than the specified parties.

Gallina LLP

Roseville, California
July 27, 2012



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL
EFFECT ON EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Board of Supervisors and Grand Jury
County of Inyo
Independence, California

Compliance

We have audited the compliance of the County of Inyo, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011. The County of Inyo's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the County of Inyo's management. Our responsibility is to express an opinion on the County of Inyo's compliance based on our audit.

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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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 of Inyo'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. Our audit does not provide a legal determination on the County of Inyo's compliance with those requirements.

As described in items 11-SA-1 and 11-SA-2 in the accompanying schedule of findings and questioned costs, the County did not comply with requirements regarding activities allowed or unallowed and allowable costs/costs principles tests and the special tests and provisions tests that are applicable to its Recovery Act of 2009: Wildland Fire Management Grant. Compliance with such requirements is necessary, in our opinion, for the County to comply with the requirements applicable to this program.

Board of Supervisors and Grand Jury
County of Inyo

Internal Control Over Compliance

In our opinion, except for the noncompliance described in the preceding paragraph, the County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2011.

The management of the County of Inyo is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the County of Inyo's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures 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 of Inyo's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified a certain deficiency in internal control over compliance that we consider to be a material weakness.

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 combination of deficiencies, in internal control over compliance, such that there is 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 deficiency described in the accompanying schedule of findings and questioned costs as items 11-SA-1 and 11-SA-2 to be material weaknesses.

The County of Inyo's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the County of Inyo's response and, accordingly, we express no opinion on the response.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of Inyo as of and for the year ended June 30, 2011, and have issued our report thereon dated July 27, 2012 which contained unqualified opinions on those financial statements. We did not audit First 5 Inyo County for the year ended June 30, 2011.

Board of Supervisors and Grand Jury
County of Inyo

Schedule of Expenditures of Federal Awards (continued)

Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinions, insofar as they relate to the amounts included for First 5 Inyo are based on the report of the other auditors. Our audit was performed for the purpose of forming opinions on the financial statements as a whole.

The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, 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 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

The Supplementary Schedule of the California Emergency Management Agency Grant Expenditures has not been subjected to auditing procedures applied in the audit of the basic financial statements, and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of management, the Board of Supervisors, the Grand Jury, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specific parties.

Gallina LLP

Roseville, California
July 27, 2012

COUNTY OF INYO

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2011

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Disbursements/ Expenditures</u>
<u>U.S. Department of Agriculture</u>			
Passed through State Department of Social Services:			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	--	\$ 380,786
ARRA - State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	--	6,561
Subtotal CFDA Number 10.561			<u>387,347</u>
Passed through State Department of Food & Agriculture:			
ARRA - Wildland Fire Management	10.688	--	<u>125,612</u>
Passed through State Department of Health Care Services:			
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	--	<u>364,526</u>
Passed through State Controller's Office:			
Schools and Roads - Grants to States	10.665	--	<u>224,068</u>
Total U.S. Department of Agriculture			<u>\$ 1,101,553</u>
<u>U.S. Department of the Interior</u>			
Direct Program:			
Payments in Lieu of Taxes	15.226	--	<u>1,594,732</u>
Total U.S. Department of the Interior			<u>\$ 1,594,732</u>
<u>U.S. Department of Justice</u>			
Direct Programs:			
Domestic Cannabis Eradication/Suppression Program	16.000	2010-25	3,050
ARRA - Assistance to Rural Law Enforcement to Combat Rural Crime and Drugs Competitive Grant Program	16.810	2009-SD-B90006	156,963
Subtotal Direct Programs			<u>160,013</u>
Passed through California Emergency Management Agency:			
Crime Victim Witness Assistance Program	16.575	VW10190140	34,513
Crime Victim Witness Assistance Program	16.575	UV10010140	55,737
Subtotal CFDA Number 16.575			<u>90,250</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards

COUNTY OF INYO

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2011

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Disbursements/ Expenditures</u>
<u>U.S. Department of Justice</u> (continued)			
Passed through California Emergency Management Agency (continued):			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	DC10210140	\$ 129,658
Subtotal Pass-Through			<u>219,908</u>
Total U.S. Department of Justice			<u>\$ 379,921</u>
<u>U.S. Department of Labor</u>			
Passed through Kern County:			
Workforce Investment Act - Adult Program	17.258	--	<u>153,864</u>
Total U.S. Department of Labor			<u>\$ 153,864</u>
<u>U.S. Department of Transportation</u>			
Passed through State Department of Transportation (Division of Aeronautics):			
Airport Improvement Program	20.106	AIP 0-03-0126-06	<u>13,354</u>
Passed through State Department of Transportation:			
Highway Planning and Construction	20.205	BRLO-5948-001	1,000,962
Highway Planning and Construction	20.205	BRLO-5948-051	127,720
Highway Planning and Construction	20.205	HSIPL-5948-073	14,957
Highway Planning and Construction	20.205	RSTPLE-5948-059	2,262
Highway Planning and Construction	20.205	STPLER-5948-047	5,814
Highway Planning and Construction	20.205	STPLER-5948-061	1,998
Highway Planning and Construction	20.205	--	673,354
Subtotal CFDA Number 20.205			<u>1,827,067</u>
Total U.S. Department of Transportation			<u>\$ 1,840,421</u>
<u>U.S. Department of Energy</u>			
Direct Programs:			
U.S. Department of Energy Cooperative Agreement	81.065	--	493,566
Yucca Mountain Oversight Grant	81.065	--	<u>274,941</u>
Subtotal Direct Programs			<u>768,507</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards

COUNTY OF INYO

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2011

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Disbursements/ Expenditures</u>
<u>U.S. Department of Energy (continued)</u>			
Passed through State Controller's Office:			
Federal Geothermal Program	81.000	--	\$ 265,801
Total U.S. Department of Energy			\$ 1,034,308
<u>U.S. Department of Health and Human Services</u>			
Passed through County of Mono Child Support Services :			
Child Support Enforcement	93.563	--	482,514
ARRA - Child Support Enforcement	93.563	--	36,008
Subtotal CFDA Number 93.563			<u>518,522</u>
Passed through State Department of Social Services:			
Promoting Safe and Stable Families	93.556	--	4,604
Temporary Assistance for Needy Families	93.558	--	1,346,077
Community-Based Child Abuse Prevention Grants	93.590	--	23,015
Stephanie Tubbs Jones Child Welfare Services Program	93.645	--	42,255
Social Services Block Grant	93.667	--	18,834
Chafee Foster Care Independence Program	93.674	--	35,713
Subtotal			<u>1,470,498</u>
Foster Care - Title IV-E:			
Foster Care Title IV-E GHMV PT	93.658	--	39,932
Foster Care - Title IV-E	93.658	--	572,149
ARRA - Foster Care - Title IV-E	93.658	--	3,533
Subtotal CFDA Number 93.658			<u>615,614</u>
Adoption Assistance Program	93.659	--	11,820
ARRA - Adoption Assistance Program	93.659	--	627
Subtotal CFDA Number 93.659			<u>12,447</u>
Subtotal Pass-Through			<u>2,098,559</u>
Passed through State Department of Public Health:			
Maternal and Child Health Federal Consolidated Programs	93.110	--	129,136
Immunization Grants	93.268	--	29,747
HIV Prevention Activities - Health Department Based	93.940	--	30,499
HIV/AIDS Surveillance	93.944	--	1,787
Subtotal Pass-Through			<u>191,169</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards

COUNTY OF INYO

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2011

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Disbursements/ Expenditures</u>
<u>U.S. Department of Health and Human Services (continued)</u>			
Passed through State Department of Health Care Services:			
Children's Health Insurance Program	93.767	--	\$ 34,165
Medical Assistance Program	93.778	--	425,009
Maternal and Child Health Services Block Grant to the States	93.994	--	66,795
Subtotal Pass-Through			<u>525,969</u>
Passed through the State Department of Mental Health:			
Block Grants for Community Mental Health Services	93.958	--	<u>157,616</u>
Passed through State Department of Alcohol and Drug Abuse Programs:			
Block Grants for Prevention and Treatment of Substance Abuse (SAPT)	93.959	--	<u>402,561</u>
Total Department of Health and Human Services			<u>\$ 3,894,396</u>
<u>U.S. Department of Homeland Security</u>			
Passed through Governor's Office of Homeland Security:			
State Homeland Security Program (SHSP)	97.073	FY 2008	17,070
State Homeland Security Program (SHSP)	97.073	FY 2009	104,124
State Homeland Security Program (SHSP)	97.073	FY 2010	29,366
Subtotal CFDA 97.073			<u>150,560</u>
Passed through California Emergency Management Agency:			
Disaster Grants	97.036	--	<u>223,820</u>
Total U.S. Department of Homeland Security			<u>\$ 374,380</u>
Total Expenditures of Federal Awards			<u>\$ 10,373,575</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards

COUNTY OF INYO

Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2011

Note 1: **Reporting Entity**

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs of the County of Inyo. The County of Inyo reporting entity is defined in Note 1 to the County's basic financial statements. All federal awards received directly from federal agencies as well as federal awards passed through other government agencies are included in the schedule.

Note 2: **Basis of Accounting**

The accompanying Schedule of Expenditures of Federal Awards is prepared on a modified accrual basis. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

Note 3: **Relationship to Financial Statements**

The amounts reported in the accompanying Schedule of Expenditures of Federal Awards agree, in all material respects, to amounts reported within the County's financial statements. Federal award revenues are reported principally in the County's financial statements as intergovernmental revenues in the General and Special Revenue funds.

Note 4: **Pass-Through Entities' Identifying Number**

When federal awards were received from a pass-through entity, the Schedule of Expenditures of Federal Awards shows, if available, the identifying number assigned by the pass-through entity. When no identifying number is shown, the County determined that no identifying number is assigned for the program or the County was unable to obtain an identifying number from the pass-through entity.

Note 5: **Loans with Continuing Compliance Requirement**

Outstanding federally-funded program loans, with a continuing compliance requirement, carried balances as of June 30, 2011 as follows:

Federal CFDA#	Program Title	Amount Outstanding	
		July 1, 2010	June 30, 2011
14.239	HOME Investment Partnerships Program	\$ 780,000	\$ 780,000

COUNTY OF INYO

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2011

Section 1

Summary of Auditor's Results

Financial Statements

- | | |
|--|---------------|
| 1. Type of auditor's report issued: | Unqualified |
| 2. Internal control over financial reporting: | |
| a. Material weaknesses identified? | No |
| b. Significant deficiencies identified not considered to be material weaknesses? | None Reported |
| 3. Noncompliance material to financial statements noted? | No |

Federal Awards

- | | |
|---|---------------|
| 1. Internal controls over major program: | |
| a. Material weaknesses identified? | Yes |
| b. Significant deficiencies identified not considered to be material weaknesses? | None Reported |
| 2. Type of auditor's report issued on compliance for major programs: | |
| Recovery Act of 2009: Wildland Fire Management Grant | Qualified |
| All Other Major Programs | Unqualified |
| 3. Any audit findings disclosed that are required to be reported in accordance with Circular OMB A-133, Section 510(a)? | Yes |

4. Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program</u>
10.561	State Administrative Matching Grants for Supplemental Nutrition Assistance Program
10.688	Recovery Act of 2009: Wildland Fire Management
14.239	HOME Investment Partnerships Program
15.226	Payments in Lieu of Taxes
20.205	Highway Planning and Construction
93.558	Temporary Assistance for Needy Families
93.658	Foster Care – Title IV-E
93.778	Medical Assistance Program

COUNTY OF INYO

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2011

Section 1 (continued)

Federal Awards

Summary of Auditor's Results

- | | |
|---|------------|
| 5. Dollar threshold used to distinguish between Type A and Type B programs. | \$ 334,607 |
| 6. Auditee qualified as a low-risk auditee under OMB Circular A-133, Section 530? | No |

Section 2

Financial Statement Findings

None Reported.

Section 3

Federal Awards Findings and Questioned Costs

CFDA Number 10.688	Finding 11-SA-1
CFDA Number 10.688	Finding 11-SA-2

COUNTY OF INYO

Schedule of Findings and Questioned Costs For the Year Ended June 30, 2011

Reference Number: 11-SA-1
Federal Program Title: Recovery Act of 2009 – Wildland Fire Management
CFDA Number(s): 10.688
Federal Agency: U.S. Department of Agriculture
Pass-Through Entity: State Department of Food and Agriculture
Compliance Requirement: Activities Allowed or Unallowed and Allowable Costs/Cost Principles

Criteria:

Direct payroll charges to federal grants for employee time spent on grant functions must be supported with the documentation required by OMB Circular A-87. Where the applicable employees worked on an allowable grant activity as well as non-grant related activities and/or activities related to other grants, required documentation consists of reports signed by each employee accounting for the total number of hours worked and showing an actual distribution of those hours to grant and non-grant functions. These reports must be prepared at least monthly and should coincide with one or more pay periods. Substitute methods may be used, but only if such methods have been approved by the Federal agency overseeing the grant (2 CFR 225, Appendix B § (8)(h)).

Condition:

During our review we noted that employees were not required to maintain and submit signed timesheets to a member of management at the end of each pay period. Also, we noted that a member of management was not receiving, reviewing, and signing as the authorizing official the timesheets for each pay period.

Questioned Costs:

No costs are questioned.

Cause:

Allocation of payroll expenditures based on the approved budget was the method of charging payroll to the grant for the entire fiscal year.

Effect of Condition:

Failing to produce and retain signed timesheets renders substantiation of personnel time spent on grant functions difficult. If timesheets are not signed or otherwise verifiably authorized by employees, the time records could be modified without the employees' approval, resulting in incorrect payroll charges to federal awards.

Recommendation:

We recommend that Department employees who perform any work on functions for this grant prepare, sign and submit to a member of management signed timesheets at the end of each pay period. We also recommend that a member of management receive, review and sign as the authorizing official timesheets received from employees for each pay period.

COUNTY OF INYO

Schedule of Findings and Questioned Costs For the Year Ended June 30, 2011

Reference Number: 11-SA-1 (continued)

Corrective Action Plan:

In response to the audit findings pertaining to the “Inyo/Mono A&B Rated Weed Project and Inyo/Mono Counties Watershed Improvement Project” for FY 10/11, the following corrective actions are now implemented:

1. New time sheets are in use that track all daily activities, and further allocate these daily efforts into different projects. This allows for clearer accounting of payroll hours. These daily activity sheets are aggregated for each payroll period, and the aggregated amounts are compiled on a summary sheet. This sheet is signed by the employee and submitted to his/her immediate supervisor.
2. The employee’s immediate supervisor then reviews the payroll summary sheets and supporting daily activities sheets for correctness and signs the sheet confirming its accuracy.

This corrective action was completed on 3/31/12 and will be implemented for future grant allocations.

For questions regarding this corrective action plan, please contact Nathan Reade, Program Coordinator, at 760.873.7860.

COUNTY OF INYO

Schedule of Findings and Questioned Costs For the Year Ended June 30, 2011

Reference Number: 11-SA-2
Federal Program Title: Recovery Act of 2009 – Wildland Fire Management
CFDA Number(s): 10.688
Federal Agency: U.S. Department of Agriculture
Pass-Through Entity: State Department of Food and Agriculture
Compliance Requirement: Special Tests and Provisions

Criteria:

The American Recovery and Reinvestment Act of 2009 (Pub. L. No. 111-5) (ARRA) requires entities that receive ARRA funds to agree to (1) maintain records that identify adequately the source and application of ARRA awards; (2) separately identify to each subrecipient, and document at the time of the subaward and disbursement of funds, the Federal award number, CFDA number, and the amount of ARRA funds; (3) provide identification of ARRA awards in their Schedule of Expenditures of Federal Awards (SEFA) and Data Collection Form (SF-SAC) and require their subrecipients to provide similar identification in their SEFA and SF-SAC.

Condition:

During our audit we noted the accounting records for ARRA funds were not provided separate identification and accounting required for ARRA awards/activity. This was not performed in the Detailed Expenditure General Ledger nor was it performed by using an Excel Spreadsheet.

Questioned Costs:

No costs are questioned.

Cause:

Management did not establish and maintain internal control designed to reasonably ensure compliance with Federal laws, regulations, and program compliance requirements, including internal control designed to ensure compliance with ARRA requirements.

Effect of Condition:

The Department could inadvertently omit ARRA fund expenditures on its SEFA as required by law.

Recommendation:

We recommend the Department establish and maintain internal controls that will allow for the proper identification and tracking of the Department's ARRA fund expenditures.

Corrective Action Plan:

Staff will track federal grant expenditures on an excel spreadsheet, which will agree and tie back to the general ledger. This corrective action was completed on 3/31/12 and will be implemented for future grant allocations.

For questions regarding this corrective action plan, please contact Nathan Reade, Program Coordinator, at 760.873.7860.

COUNTY OF INYO

Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2011

Reference Number: 10-SA-1
Federal Program Title: Anti-Drug Abuse Enforcement Program
CFDA Number(s): 16.738

Recommendation:

We recommend that department employees who perform any work on grant functions ensure that they account for total personnel time spent for the period. Time studies could be routinely signed at the same time as the preparation of timecards for the payroll process.

Status:

Implemented

**SUPPLEMENTARY SCHEDULE
OF
THE CALIFORNIA EMERGENCY
MANAGEMENT AGENCY GRANT EXPENDITURES**

COUNTY OF INYO

Supplementary Schedule of the
California Emergency Management Agency Grant Expenditures
For the Year Ended June 30, 2011

California Emergency Management Agency Grants

The following represents expenditures for California Emergency Management Agency (Cal EMA) programs for the year ended June 30, 2011. The amount reported in the Schedule of Expenditures of Federal Awards is determined by calculating the federal portion of the current year expenditures.

Program	Expenditures Claimed			Share of Expenditures Current Year		
	For the Period Through June 30, 2010	For the Year Ended June 30, 2011	Cumulative As of June 30, 2011	Federal Share	State Share	County Share
<u>VW10190140 - Crime Victim Witness Assistance Program</u>						
Personal services	\$ 104,402	\$ 34,513	\$ 138,915	\$ 34,513	\$ --	\$ --
Operating expenses	43,765	--	43,765	--	--	--
Totals	<u>\$ 148,167</u>	<u>\$ 34,513</u>	<u>\$ 182,680</u>	<u>\$ 34,513</u>	<u>\$ --</u>	<u>\$ --</u>
<u>UV10010140 - Crime Victim Witness Assistance Program</u>						
Personal services	\$ --	\$ 40,217	\$ 40,217	\$ 40,217	\$ --	\$ --
Operating expenses	--	15,520	15,520	15,520	--	--
Totals	<u>\$ --</u>	<u>\$ 55,737</u>	<u>\$ 55,737</u>	<u>\$ 55,737</u>	<u>\$ --</u>	<u>\$ --</u>
<u>DC10210140 - Edward Byrne Memorial Justice Assistance Grant Program</u>						
Personal services	\$ 108,006	\$ 34,823	\$ 142,829	\$ 34,823	\$ --	\$ --
Operating expenses	47,897	94,835	142,732	94,835	--	--
Totals	<u>\$ 155,903</u>	<u>\$ 129,658</u>	<u>\$ 285,561</u>	<u>\$ 129,658</u>	<u>\$ --</u>	<u>\$ --</u>
<u>VB08060140 - Vertical Prosecution Program</u>						
Personal services	\$ 47,957	\$ 17,285	\$ 65,242	\$ --	\$ 17,285	\$ --
Operating expenses	8,416	194	8,610	--	194	--
Totals	<u>\$ 56,373</u>	<u>\$ 17,479</u>	<u>\$ 73,852</u>	<u>\$ --</u>	<u>\$ 17,479</u>	<u>\$ --</u>