ATTACHMENT D

COUNTY OF SOLANO, CALIFORNIA

SINGLE AUDIT REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

COUNTY OF SOLANO, CALIFORNIA

SINGLE AUDIT REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

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VAVRINEK, TRINE, DAY & CO., LLP
Certified Public Accountants

INDEPENDENT AUDITORS' 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 *Governmental Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Solano (County), California, as of and for the year ended June 30, 2018, 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 28, 2018. Our report includes an emphasis of matter paragraph regarding the County's adoption of Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, and Statement No. 85, *Omnibus 2017*, effective July 1, 2017.

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 over financial reporting was for the limited purpose described in the preceding paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County'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 instance 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 results 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.

Vavrinek, Trine, Day & Co. LLP

Sacramento, California
December 28, 2018

VAVRINEK, TRINE, DAY & CO., LLP
Certified Public Accountants

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM, INTERNAL CONTROL OVER COMPLIANCE, AND THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

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, 2018. The County's major federal programs are identified in the summary of auditors' 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.

Auditors' 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; 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, 2018.

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Other Matters

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 item 2018-001. 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 schedule of findings and questioned costs and separate 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 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 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 or 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 did identity certain deficiencies in internal control over compliance, described in the accompanying schedule of findings and questioned costs as item 2018-001 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 schedule of findings and questioned costs and separate 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

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining funding information of the County as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated December 28, 2018, which contained unmodified opinions on those financial statements. Our report includes an emphasis of matter paragraph regarding the County's adoption of Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* and Statement No. 85, *Omnibus 2017*, effective July 1, 2017. 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. 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 is fairly stated in all material respects in relation to the financial statements as a whole.

Vavrinek, Trine, Day & Co. LLP

Sacramento, California
January 15, 2019

COUNTY OF SOLANO, CALIFORNIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Federal Agency Pass-Through Agency CFDA Program Title or Cluster	CFDA No.	Pass-through 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	$ 122,892	
Plant and Animal Disease, Pest Control, and Animal Care	10.025	17-8506-1317-CA	41,394	
Plant and Animal Disease, Pest Control, and Animal Care	10.025	17-8506-1164-CA	847	
Plant and Animal Disease, Pest Control, and Animal Care	10.025	17-8506-0572-CA	29,856	
Plant and Animal Disease, Pest Control, and Animal Care	10.025	16-8506-0484-CA 15-8506-0484-CA	66,695	
Total Plant and Animal Disease, Pest Control, and Animal Care			261,684	
California Department of Education				
Child Nutrition Cluster:				
School Breakfast Program	10.553	48-10488-6051569-01	35,596	$ 35,596
National School Lunch Program	10.555	48-10488-6051569-01	56,654	56,654
Total Child Nutrition Cluster (10.553 & 10.555)			92,250	92,250
California Department of Public Health (CDPH)				
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	4265	2,741,948	
SNAP Cluster:				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	4265	530,858	228,862
California Department of Social Services (CDSS)				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	1946001347 A7	9,200,544	
Total SNAP Cluster (10.561)			9,731,402	228,862
US Department of Agriculture (USDA) Total			12,827,284	321,112
US Department of Defense (USDOD)				
Direct Program:				
Community Economic Adjustment Assistance for Campatible Use and Joint Land Use Studies	12.610	Not Applicable	23,793	
US Department of Defense (USDOD) Total			23,793	-
US Department of Housing and Urban Development (HUD)				
Direct Programs:				
Section 8 Project-Based Cluster:				
Section 8 Housing Assistance Payments Program	14.195	Not Applicable	2,243,841	2,243,841
Continuum of Care Program	14.267	Not Applicable	257,272	
US Department of Housing and Urban Development (HUD) Total			2,501,113	2,243,841
US Department of Justice (DOJ)				
Direct Programs:				
Domestic Cannabis Eradication Suppression Program	16.U01	Not Applicable	7,018	
Safe Streets Violent Crimes Initiative	16.U02	Not Applicable	13,858	
Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program	16.590	Not Applicable	86,618	
State Criminal Alien Assistance Program	16.606	Not Applicable	175,000	
Equitable Sharing Program	16.922	Not Applicable	128,218	80,000
Direct Programs Subtotal			410,712	80,000
Pass-Through Programs:				
California Office of Emergency Services (CalOES)				
Paul Coverdell Forensic Sciences Improvement Program	16.742	CQ160560480	4,056	
Crime Victim Assistance	16.575	VW17350480	505,217	
Crime Victim Assistance	16.575	XC16010480	151,554	
Crime Victim Assistance	16.575	XV15010480	75,363	
Subtotal Crime Victim Assistance			732,134	
Pass-Through Programs Subtotal			736,190	
US Department of Justice (DOJ) Total			1,146,902	80,000

See accompanying notes to the schedule of expenditures of federal awards

COUNTY OF SOLANO, CALIFORNIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Federal Agency **Pass-Through Agency** **CFDA Program Title or Cluster**	**CFDA No.**	**Pass-through 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	K8106686	$ 766,472	$ 481,815
WIA/WIOA Adult Program	17.258	K7102074	499,739	
WIA/WIOA Adult Program	17.258	K698397	751,137	
Subtotal			2,017,348	481,815
WIA/WIOA Youth Activities	17.259	K8106686	561,169	
WIA/WIOA Youth Activities	17.259	K7102074	238,805	
Subtotal			799,974	
WIA/WIOA Dislocated Worker Formula Grants	17.278	K8106686	752,882	
WIA/WIOA Dislocated Worker Formula Grants	17.278	K7102074	712,318	
WIA/WIOA Dislocated Worker Formula Grants	17.278	K698397	192,066	
Subtotal			1,657,266	
Total WIA/WIOA Cluster (17.258, 17.259 & 17.278)			4,474,588	481,815
US Department of Labor (DOL) Total			4,474,588	481,815
US Department of Transportation (DOT)				
Pass-Through Programs:				
California Department of Transportation (CalTrans)				
Highway Planning and Construction Cluster:				
Highway Planning and Construction	20.205	5923	1,444,229	
California Office of Traffic Safety (OTS)				
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	AL18017Solano	252,550	252,550
Highway Safety Cluster:				
Alcohol and Drug Impaired Vertical Prosecution Program	20.616	D118027	356,169	
Alcohol and Drug Impaired Vertical Prosecution Program	20.616	D118026	289,892	
Alcohol and Drug Impaired Vertical Prosecution Program	20.616	D11714	33,280	
Total Highway Safety Cluster (20.616)			679,341	
US Department of Transportation (DOT) Total			2,376,120	252,550
US Department of Education (DOE)				
Pass-Through Programs:				
California Department of Education				
Rehabilitation Services-Vocational Rehabilitation Grants to States	84.126	30452	2,770	
US Department of Education (DOE) Total			2,770	
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	1,637,401	
Partnerships to Improve Community Health	93.331	Not Applicable	470,683	
Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease	93.918	Not Applicable	200,915	
Direct Programs Subtotal			2,308,999	
Pass-Through Programs:				
California Department of Public Health (CDPH)				
Public Health Emergency Preparedness	93.069	4265	69,630	
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	93.074	4265	807,535	
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	4265	72,550	
Childhood Lead Poisoning Prevention Projects_State and Local Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children	93.197	4265	27,470	
Immunization Cooperative Agreements	93.539	4265	153,035	
Pregnancy Assistance Fund Program	93.500	4265	13,427	5,048
Maternal, Infant, and Early Childhood Home Visiting Cluster:				
Affordable Care Act (ACA) Maternal, Infant, and Early Childhood Home Visiting Program	93.505	4265	836,372	
State and Local Public Health Actions to Prevent Obesity, Diabetes, Heart Disease and Stroke (PPHF)	93.757	4265	336,457	

See accompanying notes to the schedule of expenditures of federal awards

COUNTY OF SOLANO, CALIFORNIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Federal Agency **Pass-Through Agency** **CFDA Program Title or Cluster**	**CFDA No.**	**Pass-through Entity Award ID**	**Federal Expenditures**	**Expenditures to Subrecipients**
US Department of Health and Human Services (Continued)				
Pass-Through Programs:				
California Department of Public Health (CDPH) (Contined)				
HIV Care Formula Grants	93.917	4265	$ 158,591	$ 148,729
HIV Prevention Activities_Health Department Based	93.940	4265	151,910	30,502
Assistance Program for Chronic Disease Prevention and Control	93.945	4265	40,000	24,580
Maternal and Child Health Services Block Grant to the States	93.994	4265	1,282,956	160,537
California Department of Social Services (CDSS)				
Guardianship Assistance	93.090	1946001347 A7	444,348	
Promoting Safe and Stable Families	93.556	1946001347 A7	221,306	
TANF Cluster:				
Temporary Assistance for Needy Families	93.558	1946001347 A7	24,417,563	4,421,388
Refugee and Entrant Assistance_State Administered Programs	93.566	1946001347 A7	13,962	
Community-Based Child Abuse Prevention Grant	93.590	1946001347 A7	21,600	
Stephanie Tubbs Jones Child Welfare Services Program	93.645	1946001347 A7	167,804	
Foster Care_Title IV-E	93.658	1946001347 A7	7,052,721	2,189,662
Adoption Assistance	93.659	1946001347 A7	3,217,242	
Social Services Block Grant	93.667	1946001347 A7	514,584	
Chafee Foster Care Independence Program	93.674	1946001347 A7	137,211	
California Department of Child Support Services (DCSS)				
Child Support Enforcement	93.563	1-946001347-P-9	8,097,012	
California Department of Health Care Services (DHCS)				
Projects for Assistance in Transition from Homelessness (PATH)	93.150	14-90354	65,698	
Block Grants for Community Mental Health Services	93.958	14-90354	386,143	330,771
Block Grants for Prevention and Treatment of Substance Abuse	93.959	14-90106	2,794,301	1,179,722
Maternal and Child Health Services Block Grant to the States	93.994	4265	1,061,681	
Medicaid Cluster:				
Medical Assistance Program	93.778	12-89399	3,523,990	
Medical Assistance Program	93.778	1946001347 A7	21,543,934	
Medical Assistance Program	93.778	EP1383841/CMAA: 14-90042	422,432	402,369
Total Medicaid Cluster (93.778)			25,490,356	402,369
California Health and Human Services Agency (CHHS)				
Substance Abuse and Mental Health Services_Projects of Regional and National Significance	93.243	1H79TI024969-01	35,488	35,488
Pass-Through Programs Subtotal			78,088,953	8,928,796
US Department of Health and Human Services Total			80,397,952	8,928,796
Social Security Administration				
Direct Programs:				
Disability Insurance/SSI Cluster:				
Supplemental Security Income	96.006	Not Applicable	21,000	
Social Security Administration Total			21,000	
US Department of Homeland Security				
Pass-Through Programs:				
California Office of Emergency Services (CalOES)				
Public Assistance Grants (Presidentially Declared Disasters)	97.036	095-00000	1,011,828	
Emergency Management Performance Grants	97.042	095-00000	146,143	
Homeland Security Grant Program	97.067	095-00000	411,110	295,768
City & County of San Francisco				
Homeland Security Grant Program	97.067	075-95017	75,279	
Total Homeland Security Grant Program (97.067)			486,389	295,768
US Department of Homeland Security Total			1,644,360	295,768
Total Expenditures of Federal Awards			**$ 105,415,882**	**$ 12,603,882**

See accompanying notes to the schedule of expenditures of federal awards

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE FISCAL YEAR ENDED JUNE 30, 2018

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, 2018. 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 NUMBER

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

COUNTY OF SOLANO, CALIFORNIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

I. SUMMARY OF AUDITORS' RESULTS

FINANCIAL STATEMENTS

Type of report the auditor issued on whether the financial statements audited were prepared in	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Noncompliance material to financial statements noted?	No

FEDERAL AWARDS

Internal control over major federal programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	Yes
Type of auditors' 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:

CFDA Numbers	Name of Federal Programs or Clusters
10.561	Supplemental Nutrition Assistance Program (SNAP Cluster)
93.658	Foster Care Title IV-E
93.563	Child Support Enforcement
93.778	Medical Assistance Program (Medicaid Cluster)

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

II. FINANCIAL STATEMENT FINDINGS

None Reported.

III. FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

Finding 2018-001

Program: Medicaid Cluster - Medical Assistance Program
CFDA No.: 93.778
Federal Agency: U.S. Department of Health and Human Services
Passed-through: California Department of Health Care Services
Award Year: FY 2017-2018
Compliance Requirement: Eligibility

Criteria:

Per the *2018 OMB Compliance Supplement*, agencies are required to maintain documentation to support the participant’s eligibility in accordance with the compliance requirements of the program. Agencies must have facts in the case record to support the agencies' eligibility determination, including a record of having verified citizenship or immigration status for each individual, and social security number. The Agencies must provide notice of its decision concerning eligibility and provide timely and adequate notice of the basis for discontinuing assistance. (42 CFR sections 435.907, 435.913, and 435.914; 42 USC 1320b-7).

Condition Found:

Significant Deficiency, Instance of Non-Compliance – Of the 60 case files sampled, we noted the following:

- 6 cases where the recipient redetermination of eligibility was not performed in a timely manner.

Questioned Costs:

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

Context:

The conditions noted above were identified in 6 of 60 cases from the Medicaid Cluster – Medical Assistance Program selected during our testing procedures over eligibility. The County charges administrative expenditures associated with the determination of eligibility to the State while the State pays the amounts to providers.

Effect:

The County did not complete timely redeterminations of eligibility requirements, which can result in ineligible participants receiving benefits.

Cause:

The County is aware of this requirement and continues to experience staff shortages, thus has not been able to complete the required eligibility redetermination in a timely manner.

III. FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

Recommendation:

We recommend that the County strengthen its current policies and procedures with regards to ongoing eligibility redetermination, and ensure that such policies and procedures are formally documented and strictly adhered to by County personnel.

Views of responsible officials and planned corrective actions:

See separate corrective action plan.

COUNTY OF SOLANO, CALIFORNIA

SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

None reported.