

COUNTY OF SANTA CLARA

Single Audit Report

For the Fiscal Year Ended June 30, 2002



COUNTY OF SANTA CLARA
Single Audit Report
For the Fiscal Year Ended June 30, 2002

Table of Contents

	<i>Page(s)</i>
Independent Auditor's Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Basic Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	1-2
Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Program, Internal Control over Compliance and the Schedule of Expenditures of Federal Awards in Accordance with OMB Circular A-133	3-5
Schedule of Expenditures of Federal Awards	6-8
Notes to Schedule of Expenditures of Federal Awards	9-13
Schedule of Findings and Questioned Costs	14-16
Summary Schedule of Prior Audit Findings	17



Macias, Gini & Company LLP
Certified Public Accountants and
Management Consultants

Mt. Diablo Plaza
2175 N. California Boulevard
Suite 620
Walnut Creek, CA 94596-3565

925 • 274 • 0190
925 • 274 • 3819 FAX
www.maciasgini.com

The Honorable Members of the
Board of Supervisors
County of Santa Clara, California

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL
CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF BASIC FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

We have audited the basic financial statements of the County of Santa Clara, California, (the County), as of and for the fiscal year ended June 30, 2002, and have issued our report thereon dated December 6, 2002, which included an explanatory paragraph due to the County adopting the provisions of Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*; GASB Statement No. 37, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments: Omnibus*; GASB Statement No. 38, *Certain Financial Statement Note Disclosures*; and GASB Interpretation No. 6, *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*. 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.

Compliance

As part of obtaining reasonable assurance about whether the County's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that

would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting which we have reported to management of the County in a separate letter dated December 6, 2002.

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

Macias, Dini & Company LLP
Certified Public Accountants

Walnut Creek, California
December 6, 2002



Macias, Gini & Company LLP
Certified Public Accountants and
Management Consultants

The Honorable Members of the
Board of Supervisors
County of Santa Clara, California

Mt. Diablo Plaza
2175 N. California Boulevard
Suite 620
Walnut Creek, CA 94596-3565

925•274•0190
925•274•3819 FAX
www.maciasgini.com

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM, INTERNAL CONTROL OVER COMPLIANCE
AND THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
IN ACCORDANCE WITH OMB CIRCULAR A-133**

Compliance

We have audited the compliance of County of Santa Clara, California (the County), with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the fiscal year ended June 30, 2002. The County'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's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

The County's basic financial statements include the operations of the Housing Authority of the County of Santa Clara (Housing Authority), which expended \$200,628,315 in federal awards, which is not included in the schedule of expenditures of federal awards for the year ended June 30, 2002. Our audit, described below, did not include the operations of the Housing Authority because the Housing Authority engaged other auditors to perform an audit in accordance with OMB Circular A-133.

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'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 of the County's compliance with those requirements.

In our opinion, 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 fiscal year ended June 30, 2002. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 2002-01 and 2002-02.

Internal Control Over Compliance

The management of the County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with 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 our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

We noted certain matters involving the internal control over compliance and its operations that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgment, could adversely affect the County's ability to administer a major federal program in accordance with the applicable requirements of laws, regulations, contracts, and grants. Reportable conditions are described in the accompanying schedule of findings and questioned costs as items 2002-01 and 2002-02.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe that none of the reportable conditions described above is a material weakness.

Schedule of Expenditures of Federal Awards,

We have audited the basic financial statements of the County of Santa Clara, California (County) as of and for the year ended June 30, 2002, and have issued our report thereon dated December 6, 2002, which included an explanatory paragraph due to the County adopting the provisions of Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*; GASB Statement No. 37, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments: Omnibus*; GASB Statement No. 38, *Certain Financial Statement Note Disclosures*; and GASB Interpretation No. 6, *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*. Our audit was performed for the purpose of forming opinions on the financial statements, which collectively comprise the basic financial statements of the County. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

Macias, Simi & Company LLP
Certified Public Accountants

Walnut Creek, California
December 6, 2002

COUNTY OF SANTA CLARA
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2002

Federal Grantor/Grant Name	Federal CFDA No.	Expenditures
U.S. Department of Agriculture		
<u>Direct Programs</u>		
Food Stamps	10.551	\$ 33,385,624
<u>Passed Through State Department of Social Services</u>		
State Administrative Matching Grants for Food Stamp Program	10.561	10,368,234
Subtotal Food Stamps Cluster		\$ 43,753,858
Special Supplemental Nutrition Program for WIC	10.557	1,388,744
Nutrition Services Incentive	10.570	640,696
<u>Passed Through State Department of Agriculture</u>		
Inspection Grading and Standardization	10.162	4,800
<u>Passed Through State Department of Education</u>		
Food Donation	10.550	38,538
School Breakfast Program	10.553	253,770
National School Lunch Program	10.555	374,723
Subtotal National School Lunch and Breakfast Program Cluster		628,493
Total U.S. Department of Agriculture		46,455,129
U.S. Department of Housing and Urban Development		
<u>Direct Programs</u>		
Community Development Block Grants/Entitlement Grants	14.218	4,627,505
Emergency Shelter Grants Program	14.231	87,500
Supportive Housing Program	14.235	195,333
Shelter Plus Care	14.238	1,294,555
HOME Investment Partnerships Program	14.239	1,218,657
Total U.S. Department of Housing and Urban Development		7,423,550
U.S. Department of Justice		
<u>Direct Programs</u>		
Grants to Encourage Arrest Policies and Enforcement of Protection Orders	16.590	256,292
Public Safety Partnership and Community Policing Grants	16.710	200,000
Subtotal Direct Programs		456,292
<u>Passed Through the State Office of Criminal Justice Planning</u>		
Juvenile Accountability Incentive Block Grants	16.523	756,239
Crime Victim Assistance	16.575	363,357
Bryne Formula Grant	16.579	734,077
Subtotal Passed Through State Office of Criminal Justice Planning		1,853,673

See accompanying notes to Schedule of Expenditures of Federal Awards.

COUNTY OF SANTA CLARA
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2002

Federal Grantor/Grant Name	Federal CFDA No.	Expenditures
<u>Passed Through Bureau of Justice Assistance</u>		
Local Law Enforcement Block Grants Program	16.592	\$ 661,832
State Criminal Alien Assistance Program	16.606	2,635,709
Subtotal Passed Through Bureau of Justice Assistance		<u>\$ 3,297,541</u>
Total U.S. Department of Justice		<u>5,607,506</u>
<u>U.S. Department of Transportation</u>		
<u>Direct Program</u>		
Airport Improvement Program	20.106	285,987
<u>Passed Through State Department of Transportation</u>		
Highway Planning and Construction	20.205	2,167,239
<u>Passed Through State Business, Transportation, and Housing Agency</u>		
State and Community Highway Safety	20.600	203,926
Total U.S. Department of Transportation		<u>2,657,152</u>
<u>National Foundation on the Arts and the Humanities</u>		
<u>Passed Through California State Library</u>		
State Library Program	45.310	53,396
Total National Foundation on the Arts and the Humanities		<u>53,396</u>
<u>Environmental Protection Agency</u>		
<u>Passed Through University of Nevada</u>		
Pollution Prevention Grants Program	66.708	117,659
Total Environmental Protection Agency		<u>117,659</u>
<u>U.S. Federal Emergency Management Agency</u>		
<u>Passed Through State Office of Emergency Services</u>		
Emergency Management Performance Grant	83.552	127,670
Public Assistance Grants	83.544	27,432
Total U.S. Federal Emergency Management Agency		<u>155,102</u>
<u>U.S. Department of Education</u>		
<u>Passed Through State Department of Alcohol and Drug</u>		
Safe and Drug Free Schools and Communities - State Grants	84.186	465,674
Total U.S. Department of Education		<u>465,674</u>
<u>U.S. Department of Health and Human Services</u>		
<u>Passed Through State Department of Aging</u>		
Special Program for the Aging - Title III, Nutrition Services	93.045	1,420,092

See accompanying notes to Schedule of Expenditures of Federal Awards.

COUNTY OF SANTA CLARA
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2002

Federal Grantor/Grant Name	Federal CFDA No.	Expenditures
<u>Passed Through California Family Health Council</u>		
Family Planning Services	93.217	\$ 175,893
<u>Passed Through State Department of Health Services</u>		
Projects for Assistance in Transition from Homelessness (PATH)	93.150	\$ 138,396
Immunization Grants	93.268	1,230,570
Center for Disease Control - Investigations and Technical Assistance	93.283	512,276
Refugee and Entrant Assistance Discretionary Grants	93.576	364,950
Child Care Mandatory and Matching Funds of the Child Care and Development Funds	93.596	452,001
Medical Assistance Program	93.778	6,725,370
HIV Emergency Relief Project Grants	93.914	2,754,005
HIV Care Formula Grants	93.917	411,581
Grants to Provide Outpatient Early Prevention Services with Respect to HIV Disease	93.918	755,165
HIV Prevention Activities - Health Department Based	93.940	950,924
Public Health Traineeships	93.964	549,663
Prevention Health and Health Services Block Grant	93.991	58,288
Maternal and Child Health Services Block Grant to the States	93.994	824,967
Subtotal Passed Through State Department of Health Services		<u>15,728,156</u>
<u>Passed Through Administration Office of the Courts</u>		
Child Support Enforcement	93.563	26,891,717
<u>Passed Through State Department of Social Services</u>		
Promotion of Safe and Stable Families	93.556	1,328,920
Refugee and Entrant Assistance - State Administered Programs	93.566	2,376,705
Temporary Assistance for Needy Families	93.558	108,158,924
Adoption Incentive Payments	93.603	409,241
Child Welfare Services - State Grants	93.645	1,348,422
Foster Care - Title IV-E	93.658	37,041,909
Adoption Assistance	93.659	6,553,515
Social Services Block Grant	93.667	1,638,558
Chafee Foster Care Independent Living	93.674	770,637
Medical Assistance Program	93.778	35,878,291
Subtotal Passed Through State Department of Social Services		<u>195,505,122</u>
<u>Passed Through State Department of Alcohol and Drug</u>		
Block Grants for Community Mental Health Services	93.958	846,438
Substance Abuse Prevention and Treatment Block Grant	93.959	11,031,060
Subtotal Passed Through State Department of Alcohol and Drug		<u>11,877,498</u>
Total U.S. Department of Health and Human Services		<u>251,598,478</u>
Total Expenditures of Federal Awards		<u>\$ 314,533,646</u>

See accompanying notes to Schedule of Expenditures of Federal Awards.

COUNTY OF SANTA CLARA
Notes to the Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2002

Note 1 – General

The accompanying Schedule of Expenditures of Federal Awards (SEFA) presents the expenditures of all federal award programs of the County of Santa Clara, California (County) for the fiscal year ended June 30, 2002. The County's 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 on the SEFA.

Note 2 – Basis of Accounting

The accompanying SEFA is presented using the modified accrual basis of accounting for grants accounted for in the governmental fund types, and the accrual basis of accounting for grants accounted for in the proprietary fund types, as described in Note 2 to the County's basic financial statements.

Note 3 – Relationship to the Financial Statements

Expenditures of Federal Awards are reported in the County's basic financial statements as expenditures in the general and special revenue funds and as expenses in the Airport enterprise fund.

Note 4 – Housing Authority (Discrete Component Unit) Federal Expenditures

The Housing Authority federal expenditures are excluded from the SEFA because the Housing Authority's federal expenditures are separately audited. Expenditures for the programs of the Authority listed below are taken from the single audit report audited by other auditors. The programs of the Authority are as follows:

Program Title	CFDA Number	Federal Expenditures
U.S. Department of Housing and Urban Development		
Public Indian Housing	14.850	\$ 814,947
Public Housing Capital Fund	14.872	1,223,843
Section 8 Housing Choice Vouchers	14.871	192,992,004
Shelter Plus Care	14.238	1,233,718
Lower Income Housing Assistance Program Section 8 Moderate rehabilitation	14.856	2,972,572
Community Development Block Grant	14.218	30,089
Supportive Housing for Persons with Disabilities	14.181	226,000
U.S. Department of Agriculture		
Nutrition Services Incentive	10.570	24,142
U.S. Department of Labor		
Welfare-to-Work Grants to States and Localities	17.253	1,111,000
Total Federal Expenditures		<u>\$ 200,628,315</u>

COUNTY OF SANTA CLARA
Notes to the Schedule of Expenditures of Federal Awards (Continued)
For the Fiscal Year Ended June 30, 2002

NOTE 5 - FOOD STAMPS

Food stamps expenditures of \$33,385,624 represent the face value of food stamps distributed to program participants. They do not represent cash expenditures in the County's basic financial statements for the fiscal year ended June 30, 2002.

NOTE 6 - AMOUNT PROVIDED TO SUBRECIPIENTS

Of the federal expenditures presented in the SEFA, the County provided federal awards to subrecipients as follows:

<u>Program Title</u>	<u>CFDA Number</u>	<u>Amount Provided to Subrecipients</u>
Nutrition Services Incentive	10.570	\$ 638,969
Community Development Block Grant/Entitlement Grants	14.218	3,505,551
Emergency Shelter Grants Program	14.231	82,950
Supportive Housing Program	14.235	124,329
HOME Investment Partnerships Program	14.239	1,155,884
Juvenile Accountability Incentive Block Grants	16.523	234,200
Special Program for the Aging- Title III, Nutrition Services	93.045	1,062,893
Projects for Assistance in Transition from Homelessness	93.150	62,364
Immunization Grants	93.268	172,954
Promotion of Safe and Stable Families	93.556	1,068,118
Temporary Assistance for Needy Families (TANF)	93.558	2,876,780
Chafee Foster Care Independent Living	93.674	685,243

COUNTY OF SANTA CLARA
Notes to the Schedule of Expenditures of Federal Awards (Continued)
For the Fiscal Year Ended June 30, 2002

Note 6 - AMOUNT PROVIDED TO SUBRECIPIENTS (Continued)

HIV Emergency Relief Project Grants	93.914	1,539,165
HIV Prevention Activities- Health Department Based	93.940	580,000
Substance Abuse Prevention and Treatment Block Grant	93.959	<u>5,675,351</u>
Total		<u>\$ 19,464,751</u>

Note 7 - LOANS OUTSTANDING

The County participates in certain federal award programs that sponsor revolving loan programs, which are administered by the County. These programs maintain servicing and trust arrangements with the County to collect loan repayments. The funds are returned to the programs upon repayment of the principal and interest. The following is a summary of the loan programs maintained by the County along with the outstanding loan receivable balances at June 30, 2002:

<u>Program Title</u>	<u>CFDA Number</u>	<u>Amount Outstanding</u>
Community Development Block Grants/ Entitlement Grants	14.218	\$ 1,949,210
Home Investment Partnerships Program/Rental Rehabilitation	14.239/230	<u>5,935,394</u>
		<u>\$ 7,884,604</u>

COUNTY OF SANTA CLARA
Notes to the Schedule of Expenditures of Federal Awards (Continued)
For the Fiscal Year Ended June 30, 2002

Note 8 - Schedules of the Office of Criminal Justice Planning (OCJP), California Victims Compensation & Government Claims Board, and California Department of Justice grant expenditures

OCJP grant expenditures:

The following represents grant expenditures for Department of Justice grants passed through the State of California Office of Criminal Justice Planning for the fiscal year ended June 30, 2002.

<u>Program Title and Expenditure Category</u>	<u>Grant Award Number</u>	<u>Budget</u>	<u>Actual Non-match</u>	<u>Actual Match</u>	<u>Actual Total</u>	<u>Variance</u>
Juvenile Accountability Improvement Program	IP00010430					
Personal Services		\$ 714,825	\$ 643,342	\$ 71,483	\$ 714,825	\$ --
Operating Expenses		125,441	112,897	12,544	125,441	--
Equipment		--	--	--	--	--
Total		<u>\$ 840,266</u>	<u>\$ 756,239</u>	<u>\$ 84,027</u>	<u>\$ 840,266</u>	<u>\$ --</u>
Anti-Drug Abuse Enforcement Program	DC01120430					
Personal Services		\$ 440,858	\$ 440,857	\$ --	\$ 440,857	\$ 1
Operating Expenses		284,153	279,264	--	279,264	4,889
Equipment		13,958	13,956	--	13,956	2
Total		<u>\$ 738,969</u>	<u>\$ 734,077</u>	<u>\$ --</u>	<u>\$ 734,077</u>	<u>\$ 4,892</u>
Victim Witness Assistance Center	VW00190430					
Personal Services		\$ 1,041,558	\$ 498,298	\$ --	\$ 498,298	\$ 543,260
Operating Expenses		258,013	128,180	--	128,180	129,833
Equipment		--	--	--	--	--
Total		<u>\$ 1,299,571</u>	<u>\$ 626,478</u>	<u>\$ --</u>	<u>\$ 626,478</u>	<u>\$ 673,093</u>

(Note: The non-match expenditures of \$756,239 and \$734,077 for grants IP00010430 and DC01120430, respectively, and \$363,357 of the non-match expenditures reported in grant VW00190430 are reported as federal expenditures in the SEFA under the CFDA Nos. 16.523, 16.579 and 16.575, respectively.)

The following represents the State of California Office of Criminal Justice Planning summary grant expenditures for the fiscal year ended June 30, 2002. This information is included in the County's single audit report at the request of the State of California's Office of Criminal Justice Planning.

<u>Program Title and Expenditure Category</u>	<u>Grant Award Number</u>	<u>Budget</u>	<u>Actual Non-match</u>	<u>Actual Match</u>	<u>Actual Total</u>	<u>Variance</u>
Major Narcotics Vendor Prosecution Program	NV01030430					
Personal Services		\$ 156,535	\$ 156,535	\$ --	\$ 156,535	\$ --
Operating Expenses		1,826	1,826	--	1,826	--
Equipment		--	--	--	--	--
Total		<u>\$ 158,361</u>	<u>\$ 158,361</u>	<u>\$ --</u>	<u>\$ 158,361</u>	<u>\$ --</u>
Statutory Rape Vertical Prosecution Program	SR01050430					
Personal Services		\$ 260,471	\$ 211,917	\$ --	\$ 211,917	\$ 48,554
Operating Expenses		7,605	5,452	--	5,452	2,153
Equipment		6,924	6,924	--	6,924	--
Total		<u>\$ 275,000</u>	<u>\$ 224,293</u>	<u>\$ --</u>	<u>\$ 224,293</u>	<u>\$ 50,707</u>
Child Abuser Vertical Prosecution Program	SP01040430					
Personal Services		\$ 224,155	\$ 166,946	\$ --	\$ 166,946	\$ 57,209
Operating Expenses		845	845	--	845	--
Equipment		--	--	--	--	--
Total		<u>\$ 225,000</u>	<u>\$ 167,791</u>	<u>\$ --</u>	<u>\$ 167,791</u>	<u>\$ 57,209</u>

COUNTY OF SANTA CLARA
Notes to the Schedule of Expenditures of Federal Awards (Continued)
For the Fiscal Year Ended June 30, 2002

Note 8 - Schedules of the Office of Criminal Justice Planning (OCJP), California Victims Compensation & Government Claims Board, and California Department of Justice grant expenditures (Continued)

<u>Program Title and Expenditure Category</u>	<u>Grant Award Number</u>	<u>Budget</u>	<u>Actual Non-match</u>	<u>Actual Match</u>	<u>Actual Total</u>	<u>Variance</u>
High Technology Theft Apprehension and Prosecution	HT01020430					
Personal Services		\$ 640,887	\$ 28,034	\$ 112,677	\$ 140,711	\$ 500,176
Operating Expenses		1,842,600	722,828	148,642	871,470	971,130
Equipment		81,000	39,244	--	39,244	41,756
Total		<u>\$ 2,564,487</u>	<u>\$ 790,106</u>	<u>\$ 261,319</u>	<u>\$ 1,051,425</u>	<u>\$ 1,513,062</u>
High Technology Identity Theft Program	HD01010430					
Operating Expenses		\$ 692,051	\$ 66,454	\$ 61,855	\$ 128,309	\$ 563,742
Equipment		22,601	--	--	--	22,601
Total		<u>\$ 714,652</u>	<u>\$ 66,454</u>	<u>\$ 61,855</u>	<u>\$ 128,309</u>	<u>\$ 586,343</u>

California Victims Compensation & Government Claims Board grant expenditures:

The following represents the California Victims Compensation & Government Claims Board grant expenditures for the fiscal year ended June 30, 2002. This information is included in the County's single audit report at the request of the California Victims Compensation & Government Claims Board.

<u>Program Title and Expenditure Category</u>	<u>Grant Award Number</u>	<u>Budget</u>	<u>Actual Non-match</u>	<u>Actual Match</u>	<u>Actual Total</u>	<u>Variance</u>
Victim Witness Program	BOC - 1059					
Personal Services		\$ 879,895	\$ 824,061	\$ --	\$ 824,061	\$ 55,834
Operating Expenses		171,465	149,062	--	149,062	22,403
Equipment		7,000	--	--	--	7,000
Total		<u>\$ 1,058,360</u>	<u>\$ 973,123</u>	<u>\$ --</u>	<u>\$ 973,123</u>	<u>\$ 85,237</u>
Victim Witness Restitution for Crime Victims	BOC - 1077					
Personal Services		\$ 123,564	\$ 121,584	\$ --	\$ 121,584	\$ 1,980
Operating Expenses		1,500	1,221	--	1,221	279
Equipment		--	1,558	--	1,558	(1,558)
Total		<u>\$ 125,064</u>	<u>\$ 124,363</u>	<u>\$ --</u>	<u>\$ 124,363</u>	<u>\$ 701</u>

California Department of Justice grant expenditures:

The following represents the California Department of Justice grant expenditures for the fiscal year ended June 30, 2002. This information is included in the County's single audit report at the request of the California Department of Justice.

<u>Program Title and Expenditure Category</u>	<u>Grant Award Number</u>	<u>Budget</u>	<u>Actual Non-match</u>	<u>Actual Match</u>	<u>Actual Total</u>	<u>Variance</u>
Spousal Abuser Prosecution Program	01SA08B030					
Personal Services		\$ 79,000	\$ 55,000	\$ 24,000	\$ 79,000	\$ --
Operating Expenses		65,000	65,000	--	65,000	--
Equipment		--	--	--	--	--
Total		<u>\$ 144,000</u>	<u>\$ 120,000</u>	<u>\$ 24,000</u>	<u>\$ 144,000</u>	<u>\$ --</u>

COUNTY OF SANTA CLARA
 Schedule of Findings and Questioned Costs
 For the Fiscal Year Ended June 30, 2002

Section I – Summary of Auditor’s Results

Financial Statements:

Type of auditor’s report issued:	Unqualified
Internal control over financial reporting:	
• Material weaknesses identified?	No
• Reportable conditions identified that are not considered to be material weaknesses?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards:

Internal control over major programs:	
• Material weaknesses identified?	No
• Reportable conditions identified that are not considered to be material weaknesses?	Yes
Type of auditor’s report issued on compliance for major programs:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?	Yes

Identification of major programs:

CFDA #14.239	Home Investment Partnerships Program
CFDA #16.606	State Criminal Alien Assistance Program
CFDA #93.268	Immunization Grants
CFDA #93.558	Temporary Assistance for Needy Families
CFDA #93.959	Substance Abuse Prevention and Treatment Block Grant

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

COUNTY OF SANTA CLARA
Schedule of Findings and Questioned Costs (Continued)
For the Fiscal Year Ended June 30, 2002

Section II - Financial Statement Findings

None

Section III - Federal Award Findings and Questioned Costs

Finding No. 2002-01 93.558 Temporary Assistance for Needy Families (TANF) - Eligibility

During the testing of eligibility for the TANF program, we noted that several case files lacked appropriate supporting documentation for payment of benefits. For three out of forty cases tested, the child attendance billing sheet could not be located, while for seven out of forty cases tested, child care payments did not agree with the attendance billing sheets. In addition, three out of forty cases tested lacked sufficient documentation to support ancillary payments made.

Questioned costs:

\$5,155

Recommendation:

We recommend that management improve controls over the benefits payment review process and participant file documentation to ensure that all payments made to participants are supported by appropriate documentation.

Management Response:

We are currently reviewing existing procedures and will implement new controls to prevent reoccurrence of these problems. We are also trying to locate missing documents that were identified in the audit. If the documentation is not found, we will treat the associated payments as overpayments.

Finding No. 2002-02 16.606 State Criminal Alien Assistance Program (SCAAP) - Eligibility

During our testing of the eligibility federal compliance requirement, we noted that for two out of forty cases tested, the inmates were not accused or convicted of either one felony or two misdemeanors within the reporting period submitted for reimbursement.

COUNTY OF SANTA CLARA
Schedule of Findings and Questioned Costs (Continued)
For the Fiscal Year Ended June 30, 2002

Questioned costs:

\$2,309

Recommendation:

We recommend that the review process be re-evaluated to ensure that a more careful review of inmates submitted on the SCAAP application be performed to ensure that they meet SCAAP guidelines.

Management Response:

We agree with the recommendation and have implemented new procedures for capturing eligible data from the County's criminal justice data system. An added feature will allow us to automatically eliminate SCAAP funding inmates that were not accused or convicted of one felony or two misdemeanor charges within the application period.

COUNTY OF SANTA CLARA
Summary Schedule of Prior Audit Findings
For the Fiscal Year Ended June 30, 2002

None.

