

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



**ITEM
2.12
(ID # 3976)**

MEETING DATE:
Tuesday, April 11, 2017

FROM : AUDITOR CONTROLLER:

SUBJECT: AUDITOR-CONTROLLER: Single Audit Report For the Year Ended June 30, 2016,
District: All. [\$0]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Receive and file the attached Single Audit Report.

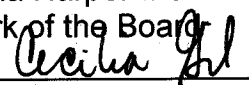
ACTION: Consent


Paul Angulo, Director of Auditor Controller 3/30/2017

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Tavaglione, seconded by Supervisor Jeffries and duly carried by unanimous vote, IT WAS ORDERED that the above matter is received and filed as recommended.

Ayes: Jeffries, Tavaglione, Washington and Ashley
Nays: None
Absent: None
Date: April 11, 2017
xc: Auditor

Kecia Harper-Ihem
Clerk of the Board
By: 
Deputy

**SUBMITTAL TO THE BOARD OF SUPERVISORS COUNTY OF RIVERSIDE,
STATE OF CALIFORNIA**

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0
NET COUNTY COST	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0
SOURCE OF FUNDS: N/A			Budget Adjustment: No	
			For Fiscal Year: 2017	

C.E.O. RECOMMENDATION: APPROVE

BACKGROUND:

Summary

The Single Audit Act of 1984 as amended in 1996 requires the County of Riverside to have an independent audit of the awards received by the Federal Government to determine whether it complied with the requirements described in the U.S. Office of Management and Budget (OMB) Circular 133 *Compliance Supplement*. Specifically, federal awards that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2016.

The independent audit firm contracted to perform the single audit has expressed an opinion for each of the County's major federal programs. The opinions and related findings are expressed in the body of the attached audit report.

Impact on Residents and Businesses

There is no impact on citizens and businesses. The report is solely for the information and use of Board of Supervisors, county management, federal awarding agencies and pass-through entities. The report is not intended to be, and should not be, used by anyone other than these specified parties.

ATTACHMENT A. Single Audit Report for the Year Ended June 30, 2016

**COUNTY OF RIVERSIDE,
CALIFORNIA**

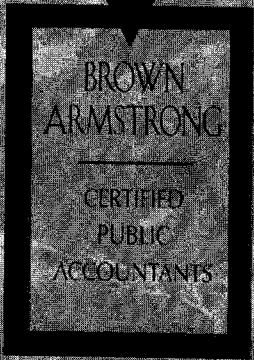
**SINGLE AUDIT REPORT
(UNIFORM GUIDANCE)**

**FOR THE YEAR
ENDED JUNE 30, 2016**

**COUNTY OF RIVERSIDE, CALIFORNIA
SINGLE AUDIT REPORT
(UNIFORM GUIDANCE)
FOR THE YEAR ENDED JUNE 30, 2016**

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BROWN ARMSTRONG

Certified Public Accountants

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
County of Riverside, California

We have audited, in accordance with the 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, 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 Riverside, California (the County), as of and for the year ended June 30, 2016, 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 15, 2016.

Other auditors audited the financial statements of the Riverside County Flood Control and Water Conservation District, the Housing Authority of the County of Riverside, Riverside County Regional Park and Open-Space District, Perris Valley Cemetery District, Riverside County Redevelopment Successor Agency, and the Children and Families Commission of Riverside County, as described in our report on the County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

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.

BAKERSFIELD OFFICE (MAIN OFFICE)

4200 TRUKUTIN AVENUE
SUITE 300
BAKERSFIELD, CA 93309
TEL: 661.324.4971
FAX: 661.324.4987
EMAIL: info@bcapas.com

FRESNO OFFICE

7673 N. INGRAM AVENUE
SUITE 101
FRESNO, CA 93711
TEL: 559.476.3592
FAX: 559.476.3593

PASADENA OFFICE

860 S. LOS ROBLES AVENUE
SUITE 310
PASADENA, CA 91101
TEL: 626.204.6542

STOCKTON OFFICE

5250 CLAREMONT AVENUE
SUITE 150
STOCKTON, CA 95207
TEL: 209.451.8113

REGISTERED with the Public Company
Accounting Oversight Board and
MEMBER of the American Institute of
Certified Public Accountants

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies 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. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs, that we consider to be a significant deficiency. We consider the deficiency described in the accompany schedule of findings and questioned costs to be a significant deficiency as item 2016-001.

Compliance and Other Matters

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

The County's Response to Finding

The County's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 County'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 County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Brown Armstrong
Accountancy Corporation

Bakersfield, California
December 15, 2016

BROWN
ARMSTRONG

CERTIFIED
PUBLIC
ACCOUNTANTS

BROWN ARMSTRONG

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE, SUPPLEMENTAL SCHEDULE OF CALIFORNIA OFFICE OF EMERGENCY SERVICES (CALOES) AND BOARD OF STATE AND COMMUNITY CORRECTIONS, AND THE SUPPLEMENTAL SCHEDULE OF CALIFORNIA STATE DEPARTMENT OF AGING GRANTS

Board of Supervisors
County of Riverside, California

Report on Compliance for Each Major Federal Program

We have audited the County of Riverside's (the County) compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (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, 2016. 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.

The County's basic financial statements include the operations of the Housing Authority of the County of Riverside (Housing Authority), a component unit of the County that received \$80,844,508 in federal awards, which is not included in the Schedule of Expenditures and Federal Awards during the year ended June 30, 2016. Our audit, described below, did not include the operations of the Housing Authority because the component unit engaged other auditors to perform an audit in accordance with Uniform Guidance.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's 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; and 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.

BAKERSFIELD OFFICE (MAIN OFFICE)

4200 TRUXTON AVENUE
SUITE 300

BAKERSFIELD, CA 93309

TEL 661.324.4971

FAX 661.324.1997

EMAIL info@bacpas.com

FRESNO OFFICE

7673 N. INGRAM AVENUE
SUITE 101

FRESNO, CA 93711

TEL 559.476.3592

FAX 559.476.3593

PASADENA OFFICE

260 S. LOS ROBLES AVENUE
SUITE 310

PASADENA, CA 91101

TEL 626.204.6542

STOCKTON OFFICE

5250 CLAREMONT AVENUE
SUITE 130

STOCKTON, CA 95207

TEL 209.481.4833

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, 2016.

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 the 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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 and Supplemental Schedules

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 fund information of the County, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated December 15, 2016, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. We did not audit the financial statements of the Riverside County Flood Control and Water Conservation District (Flood Control District), the Housing Authority of the County of Riverside (Housing Authority), Riverside County Regional Park and Open-Space District (Park District), Perris Valley Cemetery District (the Cemetery District), Riverside County

Redevelopment Successor Agency (Successor Agency), and the Children and Families Commission of Riverside County (the Commission) for the year ended June 30, 2016. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinions, insofar as it relates to the amounts included for the Flood Control District, Housing Authority, Park District, Cemetery District, Successor Agency, and the Commission are based on the reports of the other auditors.

The accompanying Schedule of Expenditures of Federal Awards, Supplemental Schedule of California Office of Emergency Services (CalOES) and Board of State and Community Corrections Grants, and Supplemental Programs Schedule for Office on Aging State Department of Aging Grants are presented for purposes of additional analysis as required by the Uniform Guidance and are 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, Supplemental Schedule of CalOES and Board of State and Community Corrections Grants, and Supplemental Programs Schedule for Office of Aging State Department of Aging Grants are fairly stated in all material respects in relation to the basic financial statements as a whole.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Brown Armstrong
Accountancy Corporation

Bakersfield, California
March 24, 2017

**COUNTY OF RIVERSIDE, CALIFORNIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2016**

FEDERAL GRANTORS/PASS-THROUGH GRANTORS PROGRAM NAME:	CFDA NO.	PASS-THROUGH ENTITY IDENTIFYING NO. [1]	AMOUNT	PASS-THROUGH TO SUBRECIPIENTS
U.S. DEPARTMENT OF AGRICULTURE				
<i>Passed Through U.S. Forest Service</i>				
Cannabis	10.000	15-LE-11051360-035	\$ 10,969	\$ -
Cooperative Forestry Assistance	10.664	08-DG-11051200-030	400,603	-
<i>Passed Through California Department of Education</i>				
Child Nutrition Cluster:				
National School Lunch Program	10.555	02148-SN-33-R	388,427	-
<i>Passed Through California Department of Public Health</i>				
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	13-20527 and 15-10105	18,410,077	-
<i>Passed Through California Department of Social Services</i>				
Supplemental Nutrition Assistance Program (SNAP) Cluster:				
State Administrative Matching Grants for Supplemental Nutrition Assistance Program	10.561	N/A	39,117,524	-
<i>Passed Through California Department of Food and Agriculture</i>				
Senior Farmers Market Nutrition Program	10.576	N/A	44,920	-
TOTAL U.S. DEPARTMENT OF AGRICULTURE			58,372,520	-
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
<i>Passed Through Riverside County Economic Development Agency</i>				
Community Development Block Grants/Entitlement Grants	14.218	301-1000087	6,818,373	3,928,387
Emergency Solutions Grant Program	14.231	301-1000087	486,374	439,205
Shelter Plus Care	14.238	CA0664C9D080800, CA0666C9D080800 and CA1017C9D081000	132,538	132,538
Home Investment Partnerships Program	14.239	301-1000087	2,556,129	288,413
		CA0664L9D081401, CA0665L9D081303, CA0665L9D081404, CA0666L9D081401, CA0667L9D081306, CA0670L9D081407, CA0674L9D081306, CA0674L9D081407, CA0675L9D081407, CA0676L9D081407, CA0679L9D081306, CA0679L9D081407, CA0680L9D081306, CA0682L9D081306, CA0682L9D081407, CA0683L9D081306, CA0683L9D081407, CA0684L9D081306, CA0684L9D081407, CA0813L9D081305, CA0813L9D081406, CA0875L9D081302, CA0875L9D081403, CA0935L9D081405, CA0936L9D081405, CA1055L9D081303, CA1055L9D081404, CA1056L9D081303, CA1056L9D081404, CA1134L9D081302, CA1134L9D081403, CA1136L9D081302, CA1136L9D081403, CA1209L9D081200, CA1221L9D081301, CA1221L9D081402, CA1244L9D081300, CA1263L9D081300, CA1263L9D081401, CA1266L9D081300, CA1266L9D081401, CA1364L9D081400, CA1365L9D081400, CA1367L9D081400 and CA1368L9D081400	8,201,979	7,832,081
Continuum of Care Program	14.267			
<i>Passed Through Riverside County Department of Public Social Services</i>				
Continuum of Care Program	14.267	CA935L9D081304, CA935L9D081405, CA1136L9D081201, CA1136L9D081302, CA0675L9D081306, CA0675L9D081407, CA1263L9D081300, CA0679L9D081306, CA0684L9D081205 and CA0684L9D081306	1,374,867	-
Subtotal - Continuum of Care Program			9,576,846	7,832,081
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			19,570,260	12,620,624
U.S. DEPARTMENT OF JUSTICE				
<i>Direct Programs</i>				
National Institute of Justice Research, Evaluation, and Development Project Grants	16.560	2012-DN-BX-K028	198,809	-
Crime Victim Assistance/Discretionary Grant	16.582	09-06-173	5,000	-
State Criminal Alien Assistance Program	16.606	SCAAP 11/12	763,366	-
Equitable Sharing Program	16.922	N/A	491,394	-
<i>Passed Through United States Marshals Service</i>				
Equitable Sharing Program	16.922	N/A	159,663	-
Subtotal - Equitable Sharing Program			651,057	-
Joint Law Enforcement Operations	16.111	JLEO-15-0092 and JLEO-16-0092	39,807	-

[1] N/A -- Not Applicable

See accompanying note to schedule of expenditures of federal awards.

**COUNTY OF RIVERSIDE, CALIFORNIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
FOR THE YEAR ENDED JUNE 30, 2016**

FEDERAL GRANTORS/PASS-THROUGH GRANTORS PROGRAM NAME:	CFDA NO.	PASS-THROUGH ENTITY IDENTIFYING NO. [1]	AMOUNT	PASS-THROUGH TO SUBRECIPIENTS
U.S. DEPARTMENT OF JUSTICE (Continued)				
<i>Passed Through Alcohol, Tobacco, Firearms & Explosives</i> Alcohol, Tobacco, Firearms Task Force	16.XXX	16-LAX-248-AFF	11,010	-
<i>Passed Through Drug Enforcement Agency</i> Domestic Cannabis Eradication Program	16.XXX	2015-08	80,059	-
<i>Passed Through Federal Bureau of Investigation</i> Inland Regional Corruption Task Force	16.XXX	319X-HQ-A1487709-LA	16,704	-
Joint Terrorism Task Force	16.XXX	N/A	10,271	-
Regional Computer Forensic Laboratory	16.XXX	N/A	18,092	-
Inland Regional Apprehension Team	16.XXX	N/A	17,015	-
<i>Passed Through Bureau of Justice Assistance</i> Services for Trafficking Victims	16.320	2013-VT-BX-K006 and 2015-VT-BX-K053	243,465	-
PREA Program: Demonstration Projects to Est "Zero Tolerance" Cultures for Sexual Assault in Correct Facilities	16.735	N/A	70,322	-
<i>Passed Through California Office of Emergency Services & Board of State and Community Corrections</i> Juvenile Accountability Block Grants	16.523	BSCC 155-15	90,837	-
Unserved/Underserved Victim Advocacy and Outreach Award	16.575	HA14-01-0330, HA15-02-0330 and 065-00000-16	1,169,615	-
Residential Substance Abuse Treatment for State Prisoners	16.593	065-00000/RT 10020330	259,834	-
<i>Passed Through California Office of Violence Against Women</i> Legal Assistance for Victims	16.524	2014-WL-AX-0008	28,862	-
Abuse of Women Later in Life Program	16.528	2011-EW-AX-K007	37,764	-
Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program	16.590	2015-WE-AX-0005	3,399	-
<i>Passed Through City of Riverside</i> Edward Byrne Memorial Justice Assistance Grant Program	16.738	JAG 2013-DJ-BX-0324	1,496	-
TOTAL U.S. DEPARTMENT OF JUSTICE			3,716,784	-
U.S. DEPARTMENT OF LABOR				
<i>Passed Through California Employment Development Department</i> Workforce Investment Act (WIA) Adult Program	17.258	201,202,500	6,872,856	-
Workforce Investment Act (WIA) Youth Activities	17.259	301	7,396,664	5,461,733
Workforce Investment Act (WIA) Dislocated Worker Formula Grants	17.278	501, 502	7,019,166	-
<i>Passed Through San Bernardino WDD</i> Workforce Investment Act (WIA) National Emergency Grants	17.277	677	620,141	-
Subtotal - WIA Cluster			21,908,827	5,461,733
<i>Passed Through California Department of Aging</i> Senior Community Service Employment Program (SCSEP)	17.235	TV - 1516-21	757,452	-
<i>Passed through Riverside County Economic Development Agency</i> Workforce Innovation Fund	17.283	IF-23400-12-60-A-6	1,099,068	871,779
TOTAL U.S. DEPARTMENT OF LABOR			23,765,347	6,333,512
U.S. DEPARTMENT OF TRANSPORTATION				
<i>Direct Programs</i> Airport Improvement Program (AIP)	20.106	N/A	477,366	-
Highway Planning and Construction Cluster: Highway Planning and Construction	20.205	08-5956, FS 103: CMTCIFL 5956(217), CML 5956(188), PNRSTCIL 5956(178), CMTCIFLN 5956 (193), FS 107: STPL 5956 (232, (233), FS 108: CMTCIFL 5956 (217), STPLN-5956 (195, 196, 197, 201, 209, 234, 235, 240), FS 115: 0103 (103), STPLN 5956 (235), FS 120: BRLO 5956 (225, 226, 227, 228, 229, 239), BRLS 5956 (200, 230, 231, 238), BRLSZ 5956 (192), BPMPPL 5956 (224), FS 134: HSIPL 5956 (190, 191, 218, 236), HRRRL 5956 (219), FS 190: CMTCIFL 5956 (217), STPLN 5956 (201), N85, N86 and N87	54,084,307	-

[1] N/A – Not Applicable

See accompanying note to schedule of expenditures of federal awards.

**COUNTY OF RIVERSIDE, CALIFORNIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
FOR THE YEAR ENDED JUNE 30, 2016**

FEDERAL GRANTORS/PASS-THROUGH GRANTORS PROGRAM NAME:	CFDA NO.	PASS-THROUGH ENTITY IDENTIFYING NO. [1]	AMOUNT	PASS-THROUGH TO SUBRECIPIENTS
U.S. DEPARTMENT OF TRANSPORTATION (Continued)				
<i>Passed Through Riverside County Transportation Commission</i> New Freedom Program	20.521	81813461	92,946	-
<i>Passed Through California Office of Traffic Safety and U.S. Department of Alcohol Beverage Control</i> National Priority Safety Program	20.616	AL1521	20,136	-
<i>Passed Through California Office of Traffic Safety</i> State and Community Highway Safety	20.600	PS1610	159,679	-
State and Community Highway Safety	20.600	PT1689	196,488	-
Child Safety and Child Booster Seats Incentive Grants	20.613	OP1510	233,507	-
National Priority Safety Program	20.616	DI 1522, DI 1523, DI 1621 and DI 1622	895,956	-
<i>Passed Through California Office of Traffic Safety, City of Riverside</i> State and Community Highway Safety	20.600	PT15130	531,414	-
Subtotal - Highway Safety Cluster			2,037,180	-
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	PT15130	586,422	-
<i>Passed Through California Office of Traffic Safety</i> Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	AL1549	155,114	-
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	PT1689	254,673	-
Subtotal - Minimum Penalties for Repeat Offenders for Driving While Intoxicated			996,209	-
TOTAL U.S. DEPARTMENT OF TRANSPORTATION			57,688,008	-
U.S. ENVIRONMENTAL PROTECTION AGENCY				
<i>Passed Through California Division of Water Quality</i> Headquarters and Regional Underground Storage Tanks Program	66.816	12-008-250	318,019	-
TOTAL U.S. ENVIRONMENTAL PROTECTION AGENCY			318,019	-
U.S. DEPARTMENT OF ENERGY				
<i>Direct Program</i> Weatherization Assistance For Low-Income Persons	81.042	15C-1026	249,049	-
TOTAL U.S. DEPARTMENT OF ENERGY			249,049	-
U.S. DEPARTMENT OF EDUCATION				
<i>Passed Through California Department of Rehabilitation</i> Rehabilitation Services - Vocational Rehabilitation Grants to States	84.126A	26534 Regis#EP1230287	412,729	-
TOTAL U.S. DEPARTMENT OF EDUCATION			412,729	-
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
<i>Passed Through National Association of County and City Health Officials</i> Medical Reserve Corps	93.008	N/A	3,190	-
<i>Passed through California Department of Aging</i> Special Programs for the Aging-Title VII, Chapter 3 - Programs for Prevention of Elder Abuse, Neglect and Exploitation	93.041	AP-1516-21	27,801	-
Special Programs for the Aging-Title VII, Chapter 2 - Long-Term Care Ombudsman for Older Individuals	93.042	AP-1516-21	64,246	64,246
Special Programs for the Aging-Title III, Part D-Disease Prevention and Health Promotions Services	93.043	AP-1516-21	99,837	-
Special Programs for the Aging-Title III, Part B-Grants for Supportive Services and Senior Centers	93.044	AP-1516-21	2,251,950	468,353
Special Programs for the Aging-Title III, Part C-Nutrition Services	93.045	AP-1516-21	3,009,752	2,632,957
Nutrition Services Incentive Program	93.053	AP-1516-21	427,387	427,387
Subtotal - Aging Cluster			5,689,089	3,528,697

[1] N/A – Not Applicable

See accompanying note to schedule of expenditures of federal awards.

**COUNTY OF RIVERSIDE, CALIFORNIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
FOR THE YEAR ENDED JUNE 30, 2016**

FEDERAL GRANTORS/PASS-THROUGH GRANTORS PROGRAM NAME:	CFDA NO.	PASS-THROUGH ENTITY IDENTIFYING NO. [1]	AMOUNT	PASS-THROUGH TO SUBRECIPIENTS
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (Continued)				
<i>Passed through California Department of Aging (Continued)</i>				
National Family Caregiver Support, Title III, Part E	93.052	AP-1516-21	735,226	199,431
State Health Insurance Assistance Program	93.324	HI-1516-21	197,566	460,528
Medical Assistance Program	93.778	MS-1516-24	531,340	-
<i>Passed Through California Department of Social Services</i>				
Medical Assistance Program	93.778	N/A	2,597,828	-
<i>Passed Through California Department of Health Services</i>				
Medical Assistance Program	93.778	N/A	124,410,863	-
<i>Passed Through California Department of Health Care Services</i>				
Medical Assistance Program	93.778	N/A	9,466,414	120,665
Subtotal - Medicaid Cluster			137,008,445	120,665
<i>Passed Through California Department of Public Health - Emergency Preparedness Office</i>				
Public Health Emergency Preparedness	93.069	14-10531	481,914	-
<i>Passed Through California Department of Social Services</i>				
Guardianship Assistance	93.090	N/A	93,888	-
Health Center Program Cluster:				
Affordable Care Act (ACA) Grants for New and Expanded Services under the Health Center Program	93.527	N/A	441,856	-
Promoting Safe and Stable Families	93.556	N/A	1,853,970	-
Refugee and Entrant Assistance_State Administered Programs	93.566	N/A	141,338	-
Child Welfare Services - State Program	93.645	N/A	2,698,479	-
Foster Care - Title IV-E	93.658	75-1546-0-1-609	45,192,589	-
Adoption Assistance	93.659	N/A	29,352,918	-
Social Services Block Grant	93.667	N/A	9,993,075	-
Chafee Foster Care Independence Program	93.674	N/A	717,917	-
Temporary Assistance for Needy Families (TANF) Cluster				
Temporary Assistance for Needy Families State Programs	93.558	N/A	142,486,897	-
<i>Passed Through California Department of Mental Health</i>				
Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances	93.104	1U79SM062464-01	216,398	-
Federal McKinney Project for Assistance in Transition for Homelessness	93.150	2X06SM016005-12	309,788	-
Block Grants for Community Mental Health Services	93.958	3B09SM010005-13	2,825,314	-
<i>Passed Through California Department of Public Health</i>				
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	FEDSISIT	271,553	12,645
Immunization Cooperative Agreements	93.268	15-10442	482,801	-
Affordable Care Act (ACA) Maternal, Infant, and Early Childhood Home Visiting Program	93.505	201533 and 15-10186	1,356,491	-
<i>Passed Through California Department of Public Health</i>				
Childhood Lead Poisoning Prevention Projects - State and Local Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children	93.197	14-10029	147,261	-
HIV Prevention Activities - Health Department Based	93.940	13-20066, 13-20150, 13-20247 and 14-10865	2,732,401	-
Maternal and Child Health Services Block Grant	93.994	201533	294,237	-
Family Planning - Services	93.217	11-10297	87,392	-
<i>Passed Through California Family Health Council</i>				
Family Planning - Services	93.217	754-5320-71209-15	356,023	-
Subtotal - Family Planning - Services			443,415	-
<i>Passed Through California Department of Public Health - Emergency Preparedness Office</i>				
Center for Disease Control and Prevention - Investigations and Technical Assistance	93.283	14-10531	1,171,028	-
<i>Passed Through State Emergency Medical Services Authority</i>				
Centers for Disease Control and Prevention - Investigations and Technical Assistance	93.283	14-10531 and EMS-1257	121,731	-
Subtotal - Center for Disease Control and Prevention - Investigations and Technical Assistance			1,292,759	-

[1] N/A – Not Applicable

See accompanying note to schedule of expenditures of federal awards.

**COUNTY OF RIVERSIDE, CALIFORNIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
FOR THE YEAR ENDED JUNE 30, 2016**

FEDERAL GRANTORS/PASS-THROUGH GRANTORS PROGRAM NAME:	CFDA NO.	PASS-THROUGH ENTITY IDENTIFYING NO. [1]	AMOUNT	PASS-THROUGH TO SUBRECIPIENTS
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (Continued)				
<i>Passed Through State Emergency Medical Services Authority</i> National Bioterrorism Hospital Preparedness Program	93.889	15-10584	62,336	-
<i>Passed Through California Department of Public Health - Emergency Preparedness Office</i> National Bioterrorism Hospital Preparedness Program	93.889	14-10531	532,106	-
Subtotal - National Bioterrorism Hospital Preparedness Program			594,442	-
<i>Passed Through California Department of Child Support Services</i> Child Support Enforcement	93.563	OCSE-ACF	22,832,317	-
<i>Passed Through California Department of Community Services and Development</i> Low-Income Home Energy Assistance Program	93.568	15B-5029	4,283,279	-
Low-Income Home Energy Assistance Program	93.568	16B-4028	703,641	-
Subtotal - Low-Income Home Energy Assistance Program			4,986,920	-
Community Services Block Grant (CSBG)	93.569	15F-2032	1,404,995	-
Community Services Block Grant (CSBG)	93.569	16F-5032	1,182,154	-
Subtotal - Community Services Block Grant (CSBG)			2,587,149	-
Community Services Block Grant Discretionary Awards	93.570	15F-2416	75,000	-
<i>Passed Through California Department of Education</i> Child Care and Development Fund (CCDF) Cluster: Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	N/A	1,905,228	-
<i>Passed Through County of San Bernardino, Department of Public Health</i> HIV Emergency Relief Project Grants	93.914	14-66	841,115	-
<i>Passed Through California Department of Alcohol and Drug</i> Block Grant for Prevention and Treatment of Substance Abuse	93.959	10-NNA33	9,810,297	-
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			431,283,127	4,386,212
NATIONAL SENIOR SERVICE CORPORATION				
<i>Passed Through Corporation for National and Community Service</i> Retired and Senior Volunteer Program	94.002	13SRPCA103	64,082	-
TOTAL NATIONAL SENIOR SERVICE CORPORATION			64,082	-
OFFICE OF NATIONAL DRUG CONTROL POLICY				
<i>Direct Program</i> High Intensity Drug Trafficking Areas Program	95.001	HIDTA14 G14LA007A and HIDTA15 G15LA007A	1,476,557	-
TOTAL OFFICE OF NATIONAL DRUG CONTROL POLICY			1,476,557	-
SOCIAL SECURITY ADMINISTRATION				
<i>Direct Program</i> Social Security Administration	96.000	N/A	179,800	-
TOTAL SOCIAL SECURITY ADMINISTRATION			179,800	-
U.S. DEPARTMENT OF HOMELAND SECURITY				
<i>Passed Through County of Riverside, Department of Public Social Services</i> Emergency Food and Shelter National Program	97.024	Phase 31 LRO 082000-075/082000-109/082000-111/082000-113/082000-169	155,957	-
<i>Passed Through California Office of Emergency Services (CalOES)</i> Hazard Mitigation Grant Program	97.039	1810-09-21R-PJ31	39,406	-
Emergency Management Performance Grants	97.042	EMW-2014-070 and EMW-2015-0049	1,162,537	-
Homeland Security Grant Program	97.067	065-00000, 2014-00093 and 2015-00078	1,739,006	-
<i>Passed Through Governor's Office of Homeland Security</i> Homeland Security Grant Program	97.067	N/A	938,346	-
Subtotal - Homeland Security Grant Program			2,677,352	-
<i>Passed through California Office of Federal Emergency Management Agency (FEMA)</i> Assistance to Firefighters Grants	97.044	N/A	168,140	-
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY			4,203,392	-
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 601,299,474	\$ 23,340,348

[1] N/A – Not Applicable

See accompanying note to schedule of expenditures of federal awards.

**COUNTY OF RIVERSIDE, CALIFORNIA
NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2016**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. General

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all Federal award programs of the County of Riverside, California (the County), except for the Federal awards granted to the Housing Authority of the County, which is separately audited and reported on in accordance with the U.S. Office of Management and Budget (OMB) Uniform Guidance. Federal awards received directly from Federal agencies, as well as Federal awards passed through nonfederal agencies, primarily the State of California, except as noted above, are included on the schedule. The County's reporting entity is defined in Note 1 to the County's basic financial statements.

B. Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting for program expenditures accounted for in the governmental funds and the accrual basis of accounting for program expenditures accounted for in the proprietary funds as described in Note 1 to the County's basic financial statements.

C. Relationship to Basic Financial Statements

Federal award expenditures agree, or can be reconciled with, the amounts reported in the County's basic financial statements.

D. Relationship to Federal Financial Reports

Amounts reported in the Schedule of Expenditures of Federal Awards are in material agreement with the amounts reported in the related Federal financial reports for the Federal award programs.

E. Indirect Cost Rate

The County has elected not to use the 10 percent de minimus indirect cost rate allowed under the Uniform Guidance.

**COUNTY OF RIVERSIDE, CALIFORNIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2016**

I. SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weaknesses identified?	No
Significant deficiencies identified not considered to be material weaknesses?	Yes
Noncompliance material to financial statements noted?	No

FEDERAL AWARDS

Internal control over major programs:	
Material weaknesses identified?	No
Significant deficiencies identified not considered to be material weaknesses?	No
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?	No
Identification of major programs:	

CFDA Numbers	Name of Federal Program or Cluster
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children
14.218	Community Development Block Grants/Entitlement Grants
93.558	Temporary Assistance for Needy Families (TANF)
93.778	Medical Assistance Program
93.044, 93.045, 93.053	Aging Cluster

Dollar threshold used to distinguish between Type A and Type B programs:	\$ 3,000,000
Auditee qualified as low-risk auditee?	No

II. FINANCIAL STATEMENT FINDINGS

Finding 2016-001 – Information Technology (IT) Finding

Condition:

The County's user access review procedures do not include user accounts across all categories, and are not fully documented. Also, requests for user account disables/removals within PeopleSoft, as well as its associated Oracle databases and Linux-based operating systems, are not consistently submitted within a reasonable timeframe following a termination. Lastly, the password requirement settings for the PeopleSoft Oracle databases and Linux-based operating systems are not configured to match the password policy defined in the Information Security Standard.

Criteria:

The County should have a process in place to regularly review user access accounts and permissions within all applications. The process for removing user accounts for terminated employees for non-PeopleSoft user accounts should be completed timely. Password requirements for the Oracle Database and Linux-based operating systems should be configured to match the password policy defined in the "Information Security Standard."

**COUNTY OF RIVERSIDE, CALIFORNIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)
FOR THE YEAR ENDED JUNE 30, 2016**

Cause of Condition:

Periodic user access reviews for PeopleSoft systems are not performed. The process for removing user accounts for terminated employees for the Oracle Database and Linux-based operating systems were not consistently submitted in a reasonable timeframe following termination. Password requirements for the Oracle Database and Linux-based operating systems are not configured to match the password policy defined in the "Information Security Standard."

Effect of Condition:

Failure to perform reviews of user accounts within these categories increases the risk that such user accounts may have access to system functions that are not commensurate with their current responsibilities or purposes, and that unneeded or unauthorized user accounts are not identified and removed or disabled on a timely basis. Failure to notify Security Administrators of terminations in a timely manner increases the risk that a terminated employee's user accounts within the various PeopleSoft systems remain active beyond the date of their termination. Such user accounts represent a security risk as they could allow unauthorized access to PeopleSoft or its supporting systems in the event that the user accounts are compromised or somehow utilized by the terminated employee. This therefore increases the risk of unauthorized transactions and unauthorized changes to the PeopleSoft systems themselves. Certain passwords are not up to the standards of the policy and an unauthorized user may be able to access the programs. The combination of these conditions could have a negative impact on the effectiveness of the logical security in place at the County.

Recommendation:

Firstly, it is recommended that the County modify its PeopleSoft user account review procedures to include all user account types, including system/service, contractor, web vendor, and special district accounts, as well as all user accounts utilized by County IT staff (i.e., both individual and personal user accounts, as well as any shared user accounts), to ensure that no unneeded or unauthorized user accounts within these categories exist, and that the permissions assigned within the systems are appropriate. Furthermore, it is recommended that these reviews are fully documented within a ticketing or change management database, with the appropriate departmental staff (e.g., Departmental Security Liaisons, department heads) confirming the lists of user accounts to be modified or removed, as well as certification from the Security Administrators performing the associated modifications and/or removals that the process has been completed.

Secondly, it is recommended that County departments notify Human Resources (HR) immediately when a termination date is set (and that HR then immediately enter the termination data into PeopleSoft Human Resource Management System (HRMS)) and submit any associated request forms related to removing the terminated employee's access rights within the various PeopleSoft systems at the same time, so that the associated user accounts can be immediately and promptly disabled or removed. It is suggested that this timeline is also followed when a termination date for an internal County IT employee is set in order to ensure that the Security Administrators of the various PeopleSoft systems, including the Oracle databases and Linux-based operating systems, are immediately informed of such terminations. As with non-IT terminations, all requests for the removal of access rights for terminated internal IT staff, whether within the PeopleSoft application itself or its supporting systems, should be fully documented, whether via request forms or in a ticketing or change management database.

Lastly, it is recommended that the County examine and revise where appropriate the password configuration for Oracle databases and Linux-based operating systems and the Password Policy within the "Information Security Standard" document to ensure that strong password requirements have been implemented.

**COUNTY OF RIVERSIDE, CALIFORNIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)
FOR THE YEAR ENDED JUNE 30, 2016**

Management Response:

The County does not currently have a process in place to regularly review user access accounts and permissions within the PeopleSoft systems.

The County concurs with this recommendation. The special districts are already included in the County wide audit. Along with the regular audit request to the Auditor Controller's Office we will now be asking the Auditor Controller's Office to review all Web Vendor access. We are also asking the Auditor Controller's Office to incorporate a notification to us via our ticketing system for all vendor terminations. All departments are now also required to review all contractor access for their departments. All requests for account modifications are to be tracked by our ticketing system.

Also, it was noted during our review of the termination procedures that the County does not consistently follow the documentation procedure for requesting and documenting the completion of the termination actions for non-PeopleSoft systems such as database and operating system accounts.

The County concurs with this recommendation. We are reminding our department liaisons of their responsibility to submit all access termination paperwork as soon as they become aware of a termination. They are to submit the request via our ticketing system. This will allow us to track the documentation regarding the termination.

Lastly, during our examination of the password requirement settings within PeopleSoft Financials and Human Resources Management System (HRMS), Oracle Database for PeopleSoft Financials and HRMS, and the AIX operating systems, it was noted that they are not in line with the Password Policy as stated in the County's "Information Security Standard" document.

Although the password requirement settings for the PeopleSoft Financials and HRMS systems have been amended to align with the Password Policy within the "Information Security Standard," the password requirement settings for the PeopleSoft Oracle databases as well as those for the Linux based operating systems on which the databases run are not in line with the "Information Security Standard." The Oracle Database settings for the default profile are set to expire within 90 days. The Oracle Database setting for default profile is set to lock out after five failed attempts. We are in the process of updating the Oracle Database settings for all profiles to limit the reuse of the past five passwords. We are in the process of updating all the Linux-based operating system settings notated to meet the policy.

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None noted.

**COUNTY OF RIVERSIDE, CALIFORNIA
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2016**

Prior Year Financial Statement Findings

Finding 2015-001 – Missing Post-Closure and Remediation Liability

Condition:

The Waste Resources Department (the Department) did not properly record the post-closure liability and remediation liability for 26 inactive sites in the prior or current year.

Criteria:

Post-closure liabilities and remediation liabilities should be recorded in the year that they are recognizable.

Cause of Condition:

The amount of liability was just recently quantified and was not historically reported in past audited financial statements.

Effect of Condition:

There is a risk of material misstatements in the financial statements if there is no proper reconciliation between the third party engineer's report and the financial statements.

Recommendation:

We recommend that the post-closure and remediation liabilities reflect the liability estimated by the Department.

Management Response:

Department management agrees with the auditor's comments. The 26 landfill sites referred to in this finding fall outside of the State of California's regulatory financial assurance requirements. While the Department has always been aware that there is liability associated with these sites, the amount of liability was not quantified until recently by a third party consultant and staff engineers. The Department apprised the auditor of these liabilities during the audit cycle. In the future, the Department will record the post-closure and remediation liabilities of these sites and adjust accordingly by Consumer Price Index.

Current Year Status:

Implemented.

Finding 2015-002 – Information Technology (IT) Finding

Condition:

The County of Riverside (the County) does not currently have a process in place to regularly review user access accounts and permissions within the PeopleSoft systems. Also, it was noted during our review of the termination procedures that the County does not consistently follow the documentation procedure for requesting and documenting the completion of the termination actions for non-PeopleSoft systems such as database and operating system accounts. Lastly, during our examination of the password requirement settings within PeopleSoft Financials and Human Resources Management System (HRMS), Oracle Database for PeopleSoft Financials and HRMS, and the AIX operating systems, it was noted that they are not in line with the Password Policy as stated in the County's "Information Security Standard" document.

COUNTY OF RIVERSIDE, CALIFORNIA
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS AND QUESTIONED COSTS (Continued)
FOR THE YEAR ENDED JUNE 30, 2016

Criteria:

The County should have a process in place to regularly review user access accounts and permissions within PeopleSoft. The process for removing user accounts for terminated employees for non-PeopleSoft user accounts should be consistently followed. Password requirements for PeopleSoft, Oracle Database, and AIX should be configured to match the password policy defined in the "Information Security Standard."

Cause of Condition:

Periodic user access reviews for PeopleSoft systems are not performed. The process for removing user accounts for terminated employees for non-PeopleSoft user accounts (e.g., Database or operating system accounts) is not consistently followed. Password requirements for PeopleSoft, Oracle Database, and AIX are not configured to match the password policy defined in the "Information Security Standard."

Effect of Condition:

The lack of periodic user access reviews increases the risk that user accounts may have access to system functions that are not commensurate with their current job responsibilities and unneeded or unauthorized user accounts are not identified and removed or disabled on a timely basis. Terminated employees could have unauthorized access to the non-PeopleSoft user accounts without consistent application of the process to remove user accounts for terminated employees. Certain passwords are not up to the standards of the policy and unauthorized user may be able to access the programs. The combination of these conditions could have a negative impact on the effectiveness of the logical security in place at the County.

Recommendation:

Firstly, it is recommended that the County implement regularly scheduled (on an annual basis, at a minimum) reviews of PeopleSoft user accounts and their associated permissions to ensure that no unneeded or unauthorized user accounts exist, and that the permissions assigned within the systems are appropriate for the individuals job responsibilities. It is recommended that the reviewer compare the active user accounts with an official employee roster provided by the Human Resources or payroll department. All user access permissions should be reviewed by the department head responsible for the function to determine if access is appropriate. All generic, system, and/or service type accounts should be included in the review. If the review is performed by County IT staff members, they may wish to work with individual departments during this process to ensure that they are aware of current employee lists and job positions, if deemed necessary. All access permission changes and removal of user accounts should follow the appropriate procedures and documentation should be provided to Security Administrators to make the identified change(s). Secondly, it is recommended that the County reinforce the termination procedure with all security administrators and ensure that user access rights removal and/or disabling processes including appropriate documentation evidence is taking place within a reasonable timeframe. Lastly, it is recommended that the County examine and revise where appropriate the password configuration for its critical financial applications and the Password Policy within the "Information Security Standard" document to ensure that strong password requirements have been implemented.

Management Response:

The County does not currently have a process in place to regularly review user access accounts and permissions within the PeopleSoft systems.

Implementing according to policy for areas found to exceed or fall short of stated requirements.

County IT has a procedure to produce a bi-annual PeopleSoft user security audit. We will re-engage that process.

**COUNTY OF RIVERSIDE, CALIFORNIA
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS AND QUESTIONED COSTS (Continued)
FOR THE YEAR ENDED JUNE 30, 2016**

Also it was noted during our review of the termination procedures that the County does not consistently follow the documentation procedure for requesting and documenting the completion of the termination actions for non-PeopleSoft systems such as database and operating system accounts.

Subsection 4.1 of the Riverside County Information Security Standard states:

“Accounts no longer necessary for business shall be disabled or removed in a timely fashion.”
and,

“Accounts for terminated or transferred employees shall be disabled or removed on the day of termination or transfer.”

In regards to the employee termination examined in the audit, this process was followed per the security standard. The policy does not state that an official documentation stream is a requirement. Due to the urgency of this particular case, most communication occurred at the verbal level in order to quickly secure the environment.

Upon locking down the user's personal VPN and Active Directory accounts the day and time of the termination, Request for Change (CR)-10637 was created to request and track all service level account password changes in the PeopleSoft environment, which occurred that evening and over the next few days. An email notification was sent by the CR upon resolution. In addition to the CR, all changes were tracked and documented in a separate spreadsheet as to the progress of the change.

County IT will update the Information Security Standard document to incorporate a documentation procedure for requesting and documenting the completion of a termination action and implement the procedure.

Lastly, during our examination of the password requirement settings within PeopleSoft Financials and Human Resources Management System (HRMS), Oracle Database for PeopleSoft Financials and HRMS, and the AIX operating systems, it was noted that they are not in line with the Password Policy as stated in the County's "Information Security Standard" document.

Implementing according to policy for areas found to exceed or fall short of stated requirements.

Change control system (STAT) Customer Service Requests (CSRs), BASE Service Request (BSE)-267, Help Desk Ticket (HD)-12220 and HD-12221 have been created and will update password controls in all PeopleSoft production environments.

Current Year Status:

Not implemented. See finding 2016-001.

Prior Year Federal Award Findings and Questioned Costs

Finding 2015-003

Program: Temporary Assistance for Needy Families (TANF)

CFDA No.: 93.558

Federal Agency: U.S. Department of Health and Human Services

Passed Through: State of California Department of Social Services

Award Year: Fiscal Year 2014-2015

Compliance Requirement: Eligibility and Special Provisions Tests

Questioned Costs: None

COUNTY OF RIVERSIDE, CALIFORNIA
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS AND QUESTIONED COSTS (Continued)
FOR THE YEAR ENDED JUNE 30, 2016

Criteria:

The June 2015 Office of Budget and Management (OMB) OMB Circular A-133 *Compliance Supplement* requires that the County of Riverside (County) utilize the Income and Eligibility Verification System (IEVS) to verify eligibility using wage information available from such agencies as the agencies administering State unemployment compensation laws, Social Security Administration, and the Internal Revenue Service to verify income eligibility and the amount of eligible benefits. The State of California has used IEVS since 1987 to verify income information received from applicants and recipients. In addition, the OMB Circular A-133 *Compliance Supplement* outlines people receiving benefits must cooperate with Child Support Services. Additionally per the OMB Circular A-133 *Compliance Supplement*, if an individual in a family receiving assistance refuses to engage in required work, a State must reduce assistance to the family, at least pro rata, with respect to any period during the month in which the individual so refuses, or may terminate assistance.

Condition:

During our testing, we audited 40 CalWORKS cases to ensure that the County utilized IEVS to verify eligibility using wage information available to verify income eligibility and the amount of eligible benefits. Per the Department of Public Social Services (DPSS) policies, caseworkers are required to utilize the IEVS to verify the eligibility of individual to receive CalWORKS benefits. The IEVS reports are required to be signed by the caseworkers as evidence of their review of income eligibility within 45 calendar days of the run date printed on the IEVS abstract. Of the 40 CalWORKS case files selected for testing, we noted 4 cases where the IEVS reports were not reviewed by a caseworker and 7 cases where the IEVS report was signed by the caseworker but not reviewed within the 45 calendar days, 5 were missing IEVS reports, 1 case where the IEVS report was not run for one person receiving benefits, and 1 case where the IEVS report was not reviewed within 45 calendar days and was missing a birth certificate.

Context:

The conditions noted above were identified during our examination of the County's compliance with special tests and provisions verification.

Effect:

The County risks noncompliance with special tests and provisions requirements as set forth in the OMB A-133 *Compliance Supplement*. The participants under each case are still determined to be eligible during the period under our testing based on other supporting documents. As a result, there are no questioned costs.

Cause:

The eligibility workers did not document their use of IEVS or properly sign and date the IEVS matching report and failed to obtain a birth certificate.

Recommendation:

The County should consider implementing stronger internal controls to ascertain that the IEVS reports are properly signed and birth certificates are obtained and are properly retained to ensure compliance with the Federal special tests and provision requirements.

**COUNTY OF RIVERSIDE, CALIFORNIA
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS AND QUESTIONED COSTS (Continued)
FOR THE YEAR ENDED JUNE 30, 2016**

Views of Responsible Officials and Planned Corrective Actions:

The Self-Sufficiency Division has initiated the following steps to help address internal controls to ensure that IEVS reports are in compliance with Federal requirements:

- Monthly Quality Assurance audits for Self Sufficiency programs include an IEVS review element for Eligibility Technicians (ETs) in the CalFresh, CalWORKs, and Medi-Cal programs. The review element identifies if IEVS reports are on file and processed both timely and accurately. Reviews also include an element for residency, ensuring adherence to policy for adequate documentation such as birth certificates.
- An internal corrective action plan for IEVS report processing was in place throughout 2015. The corrective action efforts included the following:
 - Interactive exercises in reviewing and signing off on IEVS reports were added to the supervised field experience portion of induction class for new ETs.
 - IEVS refresher training for existing eligibility staff began in October 2015. The refresher course is now a four hour annual requirement.
 - Informational flyers were distributed to program staff in May 2015 reminding them of the requirements to obtain the IEVS reports and emphasized acceptable timeframes and steps in processing IEVS reports.
 - The development of an aging report that identifies the quantity of new IEVS reports and the amount and age of reports pending reconciliation. The aging report is maintained weekly and sent to program managers and the Corrective Action Coordinator for review and action.
 - Any error trends identified for IEVS report processing are discussed at a monthly Quality Control Review Board meeting. Representation at the meeting includes program managers and supervisors as well as Quality Assurance, Corrective Action, Policy and Staff Development members.
- Department policy 60-036, 40-005, and MC078 for IEVS was revised and issued in February 2016. The policy includes more examples and step by step instructions for reconciling IEVS reports.

Contact Information of Responsible Official:

Monica Bentley, Fiscal Manager
Department of Public Social Services
Telephone: (951) 958-7761
Email: mbentley@riversidedpss.org

Current Year Status:

Implemented.

Finding 2015-004

Program: Medical Assistance Program
CFDA No.: 93.778
Federal Agency: U.S. Department of Health and Human Services
Passed Through: State of California Department of Health Services
Award Year: Fiscal Year 2014-2015
Compliance Requirement: Eligibility Tests
Questioned Costs: None

COUNTY OF RIVERSIDE, CALIFORNIA
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS AND QUESTIONED COSTS (Continued)
FOR THE YEAR ENDED JUNE 30, 2016

Criteria:

The June 2015 Office of Budget and Management (OMB) OMB Circular A-133 *Compliance Supplement* requires that the County utilize the Income and Eligibility Verification System (IEVS) to verify eligibility using wage information available from such agencies as the agencies administering state unemployment compensation laws, Social Security Administration, and the Internal Revenue Service to verify income eligibility and the amount of eligible benefits. The State of California has used IEVS since 1987 to verify income information received from applicants and recipients. In addition, the OMB Circular A-133 *Compliance Supplement* outlines people receiving benefits must cooperate with Child Support Services. Additionally per the OMB Circular A-133 *Compliance Supplement*, if an individual in a family receiving assistance refuses to engage in required work, a state must reduce assistance to the family, at least pro rata, with respect to any period during the month in which the individual so refuses, or may terminate assistance.

Condition:

During our testing we audited 40 Medi-Cal cases to ensure that the County utilized the IEVS to verify eligibility using wage information available to verify income eligibility and the amount of eligible benefits. Per the Department's policies, caseworkers are required to utilize the IEVS to verify the eligibility of individual to receive Medi-Cal benefits. The IEVS reports are required to be signed by the caseworkers as evidence of their review of income eligibility within 45 calendar days of the run date printed on the IEVS abstract. Of the 40 Medi-Cal case files selected for testing, we noted 1 was missing the IEVS report.

Context:

The conditions noted above were identified during our examination of the County's compliance with eligibility requirements.

Effect:

The County risks noncompliance with special tests and provisions requirements as set forth in the OMB A-133 *Compliance Supplement*. The participants under each case are still determined to be eligible during the period under our testing based on other supporting documents. As a result, there are no questioned costs.

Cause:

The eligibility workers did not document their use of IEVS or properly sign and date the IEVS matching report.

Recommendation:

The County should consider implementing stronger internal controls to ascertain that the IEVS reports are properly signed and properly retained to ensure compliance with the Federal eligibility requirements.

Views of Responsible Officials and Planned Corrective Actions:

The Self-Sufficiency Division has initiated the following steps to help address internal controls to ensure that IEVS reports are in compliance with Federal requirements:

- Monthly Quality Assurance audits for Self Sufficiency programs include an IEVS review element for Eligibility Technicians (ETs) in the CalFresh, CalWORKs, and Medi-Cal programs. The review

**COUNTY OF RIVERSIDE, CALIFORNIA
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS AND QUESTIONED COSTS (Continued)
FOR THE YEAR ENDED JUNE 30, 2016**

element identifies if IEVS reports are on file and processed both timely and accurately. Reviews also include an element for residency, ensuring adherence to policy for adequate documentation such as birth certificates.

- An internal corrective action plan for IEVS report processing was in place throughout 2015. The corrective action efforts included the following:
 - Interactive exercises in reviewing and signing off on IEVS reports were added to the supervised field experience portion of induction class for new ETs.
 - IEVS refresher training for existing eligibility staff began in October 2015. The refresher course is now a four hour annual requirement.
 - Informational flyers were distributed to program staff in May 2015 reminding them of the requirements to obtain the IEVS reports and emphasized acceptable timeframes and steps in processing IEVS reports.
 - The development of an aging report that identifies the quantity of new IEVS reports and the amount and age of reports pending reconciliation. The aging report is maintained weekly and sent to program managers and the Corrective Action Coordinator for review and action.
 - Any error trends identified for IEVS report processing are discussed at a monthly Quality Control Review Board meeting. Representation at the meeting includes program managers and supervisors as well as Quality Assurance, Corrective Action, Policy and Staff Development members.

- Department policy 60-036, 40-005, and MC078 for IEVS was revised and issued in February 2016. The policy includes more examples and step by step instructions for reconciling IEVS reports.

Contact Information of Responsible Official:

Monica Bentley, Fiscal Manager
Department of Public Social Services
Telephone: (951) 958-7761
Email: mbentley@riversidedpss.org

Current Year Status:

Implemented.

**COUNTY OF RIVERSIDE, CALIFORNIA
SUPPLEMENTAL SCHEDULE OF CALIFORNIA OFFICE OF EMERGENCY SERVICES (CalOES)
AND BOARD OF STATE AND COMMUNITY CORRECTIONS GRANTS
FOR THE YEAR ENDED JUNE 30, 2016**

Grant No./Pass-Through Grantor No.	Description		
HA14-01-0330/065-00000-16	Human Trafficking Advocacy Program		
Personnel Services	\$ 181,798	Federal Portion	\$ 149,789
Operating Expenses	12,047	Match	44,056
Equipment	-		-
	<u>\$ 193,845</u>		<u>\$ 193,845</u>
Grant No./Pass-Through Grantor No.	Description		
DA4300	Unserved/Underserved Victim Advocacy & Outreach		
UV14-05-0330/065-00000-16			
Personnel Services	\$ 105,252	Federal Portion	\$ 87,905
Operating Expenses	8,619	Match	25,966
Equipment	-		-
	<u>\$ 113,871</u>		<u>\$ 113,871</u>
Grant No./Pass-Through Grantor No.	Description		
DA1100	Victim Witness Assistance Program		
VW15-34-0330/065-00000-16			
Personnel Services	\$ 1,195,193	Federal Portion	\$ 931,921
Operating Expenses	217,017	Match	480,289
Equipment	-		-
	<u>\$ 1,412,210</u>		<u>\$ 1,412,210</u>
Grant No./Pass-Through Grantor No.	Description		
15 CHOG/2015-00078	Countywide HazMat Operation Group (CHOG)		
Personnel Services	\$ -	Federal Portion	\$ 67,000
Operating Expenses	45,000	Match	-
Equipment	22,000		-
	<u>\$ 67,000</u>		<u>\$ 67,000</u>
Grant No./Pass-Through Grantor No.	Description		
14 HSGP/2014-SS-00093	State Homeland Security Program (SHSP)		
Personnel Services	\$ -	Federal Portion	\$ 32,585
Operating Expenses	-	Match	-
Equipment	32,585		-
	<u>\$ 32,585</u>		<u>\$ 32,585</u>
Grant No./Pass-Through Grantor No.	Description		
15 HSGP/2015-00078	State Homeland Security Program (SHSP)		
Personnel Services	\$ -	Federal Portion	\$ 199,756
Operating Expenses	-	Match	-
Equipment	199,756		-
	<u>\$ 199,756</u>		<u>\$ 199,756</u>

**COUNTY OF RIVERSIDE, CALIFORNIA
SUPPLEMENTAL SCHEDULE OF CALIFORNIA OFFICE OF EMERGENCY SERVICES (CalOES)
AND BOARD OF STATE AND COMMUNITY CORRECTIONS GRANTS (Continued)
FOR THE YEAR ENDED JUNE 30, 2016**

Grant No./Pass-Through Grantor No.	Description		
BSCC 155-15	Juvenile Accountability Block Grants (JABG)		
Personnel Services	\$ 49,964	Federal Portion	\$ 53,456
Operating Expenses	10,173	Match	6,681
Equipment	-		-
	<u>\$ 60,137</u>		<u>\$ 60,137</u>
Grant No./Pass-Through Grantor No.	Description		
CSA 155-14	Juvenile Accountability Block Grants (JABG)		
Personnel Services	\$ 14,301	Federal Portion	\$ 27,289
Operating Expenses	16,399	Match	3,411
Equipment	-		-
	<u>\$ 30,700</u>		<u>\$ 30,700</u>
Grant No./Pass-Through Grantor No.	Description		
RT 10020330/065-00000	Residential Substance Abuse Treatment Program Grant (RSAT)		
Personnel Services	\$ 259,834	Federal Portion	\$ 185,453
Operating Expenses	-	Match	74,381
Equipment	-		-
	<u>\$ 259,834</u>		<u>\$ 259,834</u>
Grant No./Pass-Through Grantor No.	Description		
2014-0093/065-00000	Homeland Security Operations Stonegarden		
Personnel Services	\$ 382,101	Federal Portion	\$ 417,201
Operating Expenses	21,170	Match	-
Equipment	13,930		-
	<u>\$ 417,201</u>		<u>\$ 417,201</u>
Grant No./Pass-Through Grantor No.	Description		
2014-SS-00093/065-00000	State Homeland Security Grant Program (SHSGP)		
Personnel Services	\$ 172,590	Federal Portion	\$ 172,590
Operating Expenses	-	Match	-
Equipment	-		-
	<u>\$ 172,590</u>		<u>\$ 172,590</u>
Grant No./Pass-Through Grantor No.	Description		
2014-0070/	Emergency Management Performance Grant		
Personnel Services	\$ -	Federal Portion	\$ 203,299
Operating Expenses	406,599	Match	203,300
Equipment	-		-
	<u>\$ 406,599</u>		<u>\$ 406,599</u>

**COUNTY OF RIVERSIDE, CALIFORNIA
 SUPPLEMENTAL SCHEDULE OF CALIFORNIA OFFICE OF EMERGENCY SERVICES (CalOES)
 AND BOARD OF STATE AND COMMUNITY CORRECTIONS GRANTS (Continued)
 FOR THE YEAR ENDED JUNE 30, 2016**

Grant No./Pass-Through Grantor No.	Description		
2014-0049/	Emergency Management Performance Grant		
Personnel Services	\$ 301,875	Federal Portion	\$ 131,024
Operating Expenses	466	Match	171,317
Equipment	-		
	<u>\$ 302,341</u>		<u>\$ 302,341</u>
2014-00093/	State Homeland Security Program		
Personnel Services	\$ 152,051	Federal Portion	\$ 641,188
Operating Expenses	489,137	Match	-
Equipment	-		
	<u>\$ 641,188</u>		<u>\$ 641,188</u>
2015-00078/	State Homeland Security Program		
Personnel Services	\$ 35,890	Federal Portion	\$ 37,010
Operating Expenses	1,120	Match	-
Equipment	-		
	<u>\$ 37,010</u>		<u>\$ 37,010</u>
DR-1810-09-21R-PJ31	Shake Shingle Roof Project		
Personnel Services	\$ 13,977	Federal Portion	\$ 8,483
Operating Expenses	-	Match	5,494
Equipment	-		
	<u>\$ 13,977</u>		<u>\$ 13,977</u>

**COUNTY OF RIVERSIDE, CALIFORNIA
 SUPPLEMENTAL PROGRAMS SCHEDULE FOR OFFICE ON AGING
 STATE DEPARTMENT OF AGING GRANTS
 FOR THE YEAR ENDED JUNE 30, 2016**

County Program Title	CFDA No.	PASS-THROUGH ENTITY IDENTIFYING NO.	Federal		State	
			Expenditures	Pass-Through to Subrecipients	Expenditures	Pass-Through to Subrecipients
DEPARTMENT OF LABOR						
Pass-Through California State Department of Aging						
Senior Community Service Employment Program (SCSEP)	17.235	TV-1516-21	\$ 757,452	\$ -	\$ -	\$ -
TOTAL DEPARTMENT OF LABOR			757,452	-	-	-
DEPARTMENT OF HEALTH AND HUMAN SERVICES						
Pass-Through California State Department of Aging						
OMB Public Health L&C Program Fund (LCPF)	93.XXX	AP-1516-21	-	-	15,408	15,408
OMB SNF Quality and Accountability (SNFL)	93.XXX	AP-1516-21	-	-	100,777	100,777
OMB State Health Facilities Citation Penalties Account (SDFL)	93.XXX	AP-1516-21	-	-	80,931	80,931
Special Programs for the Aging - Title VII, Chapter 3	93.041	AP-1516-21	27,801	-	-	-
Special Programs for the Aging - Title VII, Chapter 2	93.042	AP-1516-21	64,246	64,246	-	-
Special Programs for the Aging - Title III Part D	93.043	AP-1516-21	99,837	-	-	-
Special Programs for the Aging - Title III Part B	93.044	AP-1516-21	2,251,950	420,012	48,341	48,341
Special Programs for the Aging - Title III Part C	93.045	AP-1516-21	3,009,752	2,057,245	364,707	363,344
National Family Caregivers Support - Title III-E	93.052	AP-1516-21	735,226	199,431	-	-
Nutrition Services Incentive Program (NSIP)	93.053	AP-1516-21	427,387	427,387	-	-
Subtotal - California State Department of Aging Programs			6,616,199	3,168,321	610,164	212,368
State Health Insurance Assistance Program	93.324	HI-1516-21	197,566	174,474	302,629	286,054
Medical Assistance Program (Medicaid Title XIX)	93.778	MS-1516-24	531,340	-	531,340	-
TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES			7,345,105	3,342,795	1,444,133	212,368
TOTAL CALIFORNIA STATE DEPARTMENT OF AGING (PASS-THROUGH AND DIRECT GRANTS)			\$ 8,102,557	\$ 3,342,795	\$ 1,444,133	\$ 212,368

**COUNTY OF RIVERSIDE, CALIFORNIA
 SUPPLEMENTAL PROGRAMS SCHEDULE FOR OFFICE ON AGING
 STATE DEPARTMENT OF AGING GRANTS (Continued)
 FOR THE YEAR ENDED JUNE 30, 2016**

County Program Title	CFDA No.	PASS-THROUGH ENTITY IDENTIFYING NO.	Federal		State	
			Expenditures	Pass-Through to Subrecipients	Expenditures	Pass-Through to Subrecipients
U.S. DEPARTMENT OF AGRICULTURE <i>Pass-Through California Department of Food and Agriculture Senior Farmers Market Nutrition Program</i>	10.576	N/A	\$ 44,920	\$ -	\$ -	\$ -
NATIONAL SENIOR SERVICE CORPORATION <i>Pass-Through Corporation for National and Community Service Retired and Senior Volunteer Program</i>	94.002	13SRPCA013	64,082	-	-	-
<i>Pass-Through Riverside County Children and Families Commission First Five-Grandparent Raising Grandchildren</i>	93.XXX	14400 GG	-	-	-	396,738
Total			<u>\$ 8,211,559</u>	<u>\$ 3,342,795</u>	<u>\$ 1,444,133</u>	<u>\$ 609,106</u>