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## **AUDITOR-CONTROLLER**

**COUNTY OF IMPERIAL**  
**CORRECTIVE ACTION PLAN**  
**FOR THE YEAR ENDED JUNE 30, 2022**

Compiled by: Karina B Alvarez, CPA, Auditor-Controller  
County of Imperial, California.

**County of Imperial, California**  
Corrective Action Plan  
For the Year Ended June 30, 2022

**I. FINANCIAL STATEMENT FINDINGS**

**2022-001 Internal Control Over Financial Reporting**  
**Type of Finding:** Material Weakness

***Management's or Department's Response:***

Imperial County agrees with this finding and recommendation.

***Views of Responsible Officials and Corrective Action Plan:***

Imperial County will develop a comprehensive Year-end Close Checklist to facilitate timely, accurate, and complete execution of the annual year-end close and financial reporting process. The Year-end Close Checklist will include specific quality control steps to address each of the auditor's listed deficiencies from the 2021 Year-end Close.

***Name of Responsible Person:***

Karina B. Alvarez, CPA, Auditor-Controller

***Implementation Date:***

August 31, 2023

**2022-002 Delay in Financial Reporting**  
**Type of Finding:** Significant Deficiency

***Management's or Department's Response:***

Imperial County agrees with this finding and recommendation.

***Views of Responsible Officials and Corrective Action Plan:***

The Auditor-Controller will work closely with the County's Chief Executive Office to explore options for adding additional accounting staff. The Finance Department will also implement the other actions recommended by the auditor.

***Name of Responsible Person:***

Karina B. Alvarez, CPA, Auditor-Controller

***Implementation Date:***

August 31, 2023

**County of Imperial, California**  
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**2022-003 Internal Control Over Preparation of the Schedule of Expenditures of Federal Awards**  
**Type of Finding:** Significant Deficiency

***Management's or Department's Response:***

The County agrees with this finding and recommendation.

***Views of Responsible Officials and Corrective Action Plan:***

Imperial County Auditor-Controller department will facilitate training on SEFA preparation procedures to be offered to Auditor-Controller department staff, in order to be able to develop and implement adequately designed written SEFA preparation procedures in order to improve the identification and SEFA inclusion of all current County federal grant programs and the accuracy of reported SEFA federal grant expenditures. These procedures will include:

- OMB/Grant training for staff involved with SEFA preparation and supervision
- Annual outreach to budget office and program departments to identify new federal grant programs
- Auditor-Controller search of General Ledger Federal Revenue account postings to consider the scope of funds with potential federal expenditures.
- Program Department reconciliation of general ledger expenditures to the grant billing/expenditure reports submitted to grantors
- Auditor-Controller Department verification of reconciliation of general ledger expenditures to reported grant expenditures
- Auditor-Controller verification of CFDA program identification (program names and numbers) with OMB program listings
- Auditor- Controller comparison of current SEFA program expenditures with prior year(s) SEFA reports for analytical review of variances and/or omissions.

Imperial County Auditor-Controller Department anticipates to implement the corrective action by August 31, 2023.

***Name of Responsible Person:***

Karina B Alvarez, CPA, Auditor-Controller

***Implementation Date:***

August 31, 2023

**County of Imperial, California**  
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**2022-004**      **Internal Control Over the Payroll Process**  
**Type of Finding:** Significant Deficiency

***Management's or Department's Response:***

Imperial County agrees with this finding and recommendation.

***Views of Responsible Officials and Corrective Action Plan:***

Imperial County will develop written design and implement written procedures for approval of timecards.

Imperial County will identify department/programs with lapses in sufficient documentation of timecard review and approval and provide outreach/training to such departments and programs.

Imperial County will return unapproved timecards for department approval – either before or right after pay-cycle.

Imperial County Auditor-Controller Department anticipates to implement the corrective action by December 31, 2023.

***Name of Responsible Person:***

Karina B Alvarez, CPA, Auditor-Controller

***Implementation Date:***

December 31, 2023

**County of Imperial, California**

Corrective Action Plan

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**II. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

**2022-005**      **Temporary Aid for Needy Families (TANF)**  
**Federal Financial Assistance Listing Number: 93.558**  
**Federal Grantor: U.S. Department of Health and Human Services**  
**Pass-Through: California Department of Social Services**  
**Award No. and Year: 1946001347-A7                      2022**

**Compliance Requirements: Eligibility**  
**Type of Finding: Significant Deficiency**

***Management's or Department's Response:***

Imperial County Department of Social Services agrees with the finding.

***Views of Responsible Officials and Corrective Action Plan:***

The County of Imperial, Department of Social Services, is committed to maintaining robust monitoring and oversight controls in place to ensure that applicant eligibility is thoroughly reviewed and approved. The Department will continue to monitor compliance with policies to ascertain that eligibility technicians follow guidelines for redetermination of recipients of need and amount of assistance, including to retain acceptable documentation to support the determinations. The Department will implement enhanced training and guidance to include refresher training that will be developed based on needs identified during this review. The training will address any changes in regulations and/or internal processes.

***Name of Responsible Person:***

Paula S. Llanas, County of Imperial – Department of Social Services Director

***Implementation Date:***

**September 1, 2024**

**2022-006**      **Program: WIOA Cluster**  
**Federal Financial Assistance Listing Number: 17.258, 17.259, 17.277, 17.278**  
**Federal Grantor: U.S. Department of Labor**  
**Pass-Through: California Department of Employment Development**  
**Award No. and Year: AA011008 and 2019**

**Compliance Requirements: Subrecipient Monitoring**  
**Type of Finding: Material Weakness**

***Management's or Department's Response:***

Imperial County Workforce Development Office (ICWDO) agrees with the finding.

***Views of Responsible Officials and Corrective Action Plan:***

**County of Imperial, California**

Corrective Action Plan

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The questions from finding 2021-008 relate to a formalization of the fiscal processes and protocols. ICWDO operates under WIOA guidelines and follows Imperial County’s fiscal policies. Internal policy will be formally updated to reflect compliance with WIOA regulations, as well as Imperial County policies. These policies will include formal controls and procedures to evaluate each subrecipient’s risk of noncompliance. Once the formal procedure is drafted, it will go through the ICWDO Policy Committee for comment and direction, and then finally reviewed and approved for implementation by the full Workforce Development Board.

Additionally, for any future Memorandums of Understanding (MOUs) between this Imperial County department and any outside agency, there will be an additional step to include review by Imperial County Counsel to reflect that recital around the funding source will specify the following required information:

- Federal Award Identification Number
- Federal award date of award to recipient by the Federal agency
- Name of Federal awarding agency
- CFDA Number
- Specific identification of whether the award is research and development

ICWDO will develop internal policies for formalizing all subrecipient monitoring process. ICWDO operates under WIOA guidelines for monitoring; therefore a formal internal policy for future contracts will be developed and implemented using the usual review and approval procedures followed by the department.

ICWDO will develop a formal internal documentation system, with appropriate checks and signatures, for the evaluation and assessment of each subrecipient’s risk of noncompliance. ICWDO will utilize this formal process to properly document the risk assessment of all subrecipients.

ICWDO anticipates to implement the corrective action by December 31, 2023.

***Name of Responsible Person:***

Priscilla A Lopez, ICWDB Director

***Implementation Date:***

**December 31, 2023**

**2022-007**

**Program: WIOA Cluster**  
**Federal Financial Assistance Listing Number: 17.258, 17.259, 17.277, 17.278**  
**Federal Grantor: U.S. Department of Labor**  
**Pass-Through: California Department of Employment Development**  
**Award No. and Year: AA111008 and 2021**

**Compliance Requirements: Reporting**  
**Type of Finding: Significant Deficiency**

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***Management's or Department's Response:***

Imperial County Workforce Development Office (ICWDO) agrees with the finding.

***Views of Responsible Officials and Corrective Action Plan:***

ICWDO acknowledges the recommendation and is actively working on a remedy and on the development of formal policies as recommended, which will assist ICWDO's fiscal team in ensuring that all reports are appropriately reconciled.

ICWDO acknowledges the recommendations from finding 2021-010 related to a formalization of the Administrative/fiscal processes and protocols to ensure that procedures are consistently followed to guarantee that reports agree to the amounts recorded in the general ledger and SEFA. Additionally, the recommendation specifies that protocols to ensure the separation of duties are featured in the policy. ICWDO operates under WIOA guidelines and follows County fiscal/administrative policies. Internal policies that include formal controls and procedures to ensure that monthly reports and general ledgers are consistent, with clear segregation of duties will be formally adopted. Aspects of these policies will include:

- Protocol for preparation of monthly reports by the fiscal manager, and approval and signature by ICWDO Director
- Protocol for preparation of closeouts that will provide the hierarchy of development, review, and approval for future reference.
- Schedule monthly closeout meetings with the fiscal department and administration to ensure that documents are reviewed separately, and issues are addressed promptly.
- Protocol for Policy Committee review, comment and direction, and approval for implementation by vote of the full workforce development board.

ICWDO anticipates to implement the corrective action by December 31, 2023.

***Name of Responsible Person:***

Priscilla A Lopez, ICWDB Director

***Implementation Date:***

**December 31, 2023**