County of Imperial

El Centro, California

Single Audit and Independent Auditor's Reports

For the Year Ended June 30, 2024

THE PUN GROUP
ACCOUNTANTS & ADVISORS

County of Imperial
Single Audit and Independent Auditor's Reports
For the Year Ended June 30, 2024

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THE PUN GROUP
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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*

Independent Auditor's Report

Honorable Board of Supervisors
County of Imperial
El Centro, 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 basic financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of Imperial, California (the "County") as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated July 10, 2026. Our report includes a reference to other auditors who audited the financial statements of the Imperial County Employees' Retirement System Pension Trust Fund (Pension Trust), a component unit of the County, as described in our report on the County's financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditor's.

Report on 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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control 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 identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2024-001 and 2024-002 to be significant deficiencies.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's basic 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 financial statements. 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 Findings

Government Auditing Standards requires the auditor to perform limited procedures on the County's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

The Pun Group, LLP

Santa Ana, California
July 10, 2026

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

Independent Auditor's Report

Honorable Board of Supervisors
County of Imperial, California

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited County of Imperial, California's (the "County") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2024. 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.

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, 2024.

Basis for Opinion on Each Major Federal Program

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the County's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the County's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the County's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with auditing standards generally accepted in the United States of America, *Government Auditing Standards*, and the Uniform Guidance we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2024-003 and 2024-004. Our opinion on each major federal program is not modified with respect to these matters.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses.

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 a 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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2024-003 to be a material weakness.

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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2024-004 to be a significant deficiency.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on the County's response to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the discretely presented component unit and aggregate remaining fund information of the County, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. Other auditors audited the financial statements of the Imperial County Employees' Retirement System Pension Trust Fund, as described in our report on the County's financial statements. We issued our report thereon dated July 10, 2026, which contained unmodified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

The Pun Group, LLP

Santa Ana, California
July 10, 2026

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County of Imperial
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2024

Federal Grantor/Pass-Through Grantor/Program/Cluster Title	Federal Assistance Listing Number	Grant Identification Number	Federal Award Expenditures	Pass-Through Award to Subrecipients
U.S. Department of Agriculture:				
Passed through the California Department of Food and Agriculture:				
Plant and Animal Disease, Pest Control, and Animal Care	10.025	21-0517-005-SF-1	$ 110,203	$ -
Plant and Animal Disease, Pest Control, and Animal Care	10.025	22-0294-001-SF	3,556	-
Plant and Animal Disease, Pest Control, and Animal Care	10.025	22-0294-011-SF	6,400	-
Plant and Animal Disease, Pest Control, and Animal Care	10.025	22-1694-016-SF	115,990	-
Plant and Animal Disease, Pest Control, and Animal Care	10.025	23-0026-001-SF	109,158	-
Plant and Animal Disease, Pest Control, and Animal Care	10.025	23-0026-025-SF	49,822	-
Plant and Animal Disease, Pest Control, and Animal Care	10.025	23-0412-001-SF	14,601	-
Subtotal Assistance Listing Number 10.025			409,730	-
Child Nutrition Cluster (CNC):				
Passed through the State of California Department of Education:				
School Breakfast Program	10.553	0113-SN-13-R	29,582	-
National School Lunch Program	10.555	0113-SN-13-R	15,293	-
Total CNC Cluster			44,875	-
Supplemental Nutrition Assistance Program (SNAP) Cluster:				
Passed through the California Department of Public Health:				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program - Education	10.561	19-10356	271,580	-
Passed through the California Department of Social Services:				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program - Administration	10.561	FY 2022-23	4,770,886	-
Total SNAP Cluster			5,042,466	-
		Total U.S. Department of Agriculture	5,497,071	-
U.S. Department of Housing and Urban Development:				
Passed through the California Department of Housing and Community Development:				
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	18-CDBG-12924	2,927,569	-
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	18-CDBG-12925	464,204	-
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	20-CDBG-CV2-3-00309	19,283	-
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	20-CDBG-CV2-3-00310	25,071	-
Subtotal Assistance Listing Number 14.228			3,436,127	-
Emergency Solutions Grant Program	14.231	20-ESGCV1-00013	700,062	700,062
HOME Investment Partnerships Program	14.239	18-HOME-12574	4,880	-
HOME Investment Partnerships Program	14.239	18-HOME-12575	131,530	-
HOME Investment Partnerships Program	14.239	19-HOME-14979	19,398	-
Subtotal Assistance Listing Number 14.239			155,808	-
Continuum of Care Program	14.267	CA1625L9D132105	19,617	-
Continuum of Care Program	14.267	CA1625L9D132206	44,000	-
Continuum of Care Program	14.267	CA2062L9D132100	14,725	-
Subtotal Assistance Listing Number 14.267			78,342	-
Passed through the California Department of Public Health:				
Housing Opportunities for Persons with AIDS (HOPWA)	14.241	23-10394	154,717	-
		Total U.S. Department of Housing and Urban Development	4,525,056	700,062
U.S. Department of Justice:				
Passed through the California Governor's Office of Emergency Services:				
Crime Victim Assistance - Victim Witness Assistance Program	16.575	VW23370130	448,250	-
Direct Programs:				
Violence Against Women Formula Grants	16.588	LE21050130	212,991	-
Equitable Sharing Program	16.922	N/A	2,318	-
		Total U.S. Department of Justice	663,559	-

See accompanying Notes to the Schedule of Expenditures of Federal Awards

County of Imperial
Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended June 30, 2024

Federal Grantor/Pass-Through Grantor/Program/Cluster Title	Federal Assistance Listing Number	Grant Identification Number	Federal Award Expenditures	Pass-Through Award to Subrecipients
U.S. Department of Labor:				
Workforce Innovation and Opportunity Act (WIOA) Cluster:				
Passed through the California Employment Development Department:				
WIOA Adult Program	17.258	AA211008 / AA311008 / AA411008	4,669,825	287,285
WIOA Youth Activities	17.259	AA211008 / AA311008/AA411009	4,232,275	2,902,209
WIOA Dislocated Worker Formula Grants	17.278	AA211008 / AA311008/AA411010	2,775,786	287,285
Total WIOA Cluster			11,677,886	3,476,779
		Total U.S. Department of Labor	11,677,886	3,476,779
U.S. Department of Transportation:				
Direct Programs:				
COVID-19 - Airport Improvement Program, COVID-19 Airports Programs, and Infrastructure Investment and Jobs Act Programs	20.106	3-06-0109-042-2023	45,825	-
Passed through the California Department of Transportation:				
Highway Planning and Construction	20.205	BRLS-5958	2,058,241	-
Highway Safety Cluster:				
Highway Planning and Construction	20.616	DI24032	66,521	-
Total Highway Safety Cluster			66,521	-
		Total U.S. Department of Transportation	2,170,587	-
U.S. Department of Treasury:				
Direct Program:				
Equitable Sharing Program	21.016	N/A	51,545	-
COVID-19 - Coronavirus State & Local Fiscal Recovery Funds	21.027	N/A	10,900,048	-
Local Assistance and Tribal Consistency Fund (LATCF)	21.032	N/A	509,751	-
		Total U.S. Department of Treasury	11,461,344	-
U.S. Environmental Protection Agency:				
Direct Programs:				
Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act	66.034	99T40001	359,150	-
Targeted Airshed Grant Program	66.956	N/A	765,683	-
		Total U.S. Environmental Protection Agency	1,124,833	-
Election Assistance Commission:				
Passed through Secretary of State of California:				
HAVA Election Security Grants	90.404	23G26113	171	-
		Total Election Assistance Commission	171	-
U.S. Department of Health and Human Services:				
Aging Cluster:				
Passed through California Department of Aging:				
Special Programs for the Aging, Title VII, Chapter 3, Programs for Prevention of Elder Abuse, Neglect, and Exploitation	93.041	AP-2223-24	3,027	-
Special Programs for the Aging, Title VII, Chapter 2, Long Term Care Ombudsman Services for Older Individuals	93.042	AP-2223-24	34,167	-
Special Programs for the Aging, Title III, Part D, Disease Prevention and Health Promotion Services	93.043	AP-2223-24	7,971	7,971
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	AP-2223-24	303,578	87,698
Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045	AP-2223-24	479,531	479,531
National Family Caregiver Support, Title III, Part E	93.052	AP-2223-24	102,756	102,756
Nutrition Services Incentive Program	93.053	AP-2223-24	53,644	53,644
Total Aging Cluster			984,674	731,600

See accompanying Notes to the Schedule of Expenditures of Federal Awards

County of Imperial
Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended June 30, 2024

Federal Grantor/Pass-Through Grantor/Program/Cluster Title	Federal Assistance Listing Number	Grant Identification Number	Federal Award Expenditures	Pass-Through Award to Subrecipients
U.S. Department of Health and Human Services (Continued):				
Passed through the California Department of Social Services:				
Guardianship Assistance - Assistance Payments	93.090	1946001347-A7	1,343,693	-
Passed through the California Department of Health Care Services:				
Projects for Assistance in Transition from Homelessness (PATH)	93.150	N/A	62,924	-
Passed through the California Department of Public Health:				
Public Health Emergency Preparedness	93.069	22-10649	140,473	-
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	13U4U23Y3	14,250	-
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	2213BASE00	339,133	-
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	2213FSIE00	20,245	-
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	EPCF1323	9,999	-
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	13CTCA23	2,994	-
Subtotal Assistance Listing Number 93.116			386,621	-
Childhood Lead Poisoning Prevention Projects, State and Local Childhood Lead Poisoning Prevention and Surveillance of Blood Lead levels in Children	93.197	23-10258	233,465	-
Immunization Cooperative Agreements	93.268	22-10537	536,102	-
Passed through Heluna Health:				
COVID-19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) - Border Infectious Disease Surveillance (BIDS) Program	93.323	5NU50CK000539-04-00	247,326	-
COVID-19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) - Enhancing Detection Expansion	93.323	COVID-19 ELC14	324,325	-
COVID-19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) Diseases (ELC) - Enhancing Detection Expansion	93.323	COVID-19 ELC72	1,686,450	-
Subtotal Assistance Listing Number 93.323			2,258,101	-
Passed through the California Department of Social Services:				
Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response - Workforce Development	93.354	WFD-014	417,213	-
Activities to Support State, Tribal, Local and Territorial (STLT) Health Department Response to Public Health or Healthcare Crises	93.391	CERI-21-23-13	89,358	-
MaryLee Allen Promoting Safe and Stable Families Program	93.556	1946001347-A7	88,012	-
Refugee Cash and Medical Assistance Program and Refugee Support Services Program	93.566	N/A	4,322	-
Temporary Assistance for Needy Families - Emergency Assistance Foster Care	93.558	AB98	499,435	-
Temporary Assistance for Needy Families - Administration	93.558	1946001347-A7	13,095,600	-
Temporary Assistance for Needy Families - Assistance Payments	93.558	1946001347-A7	6,269,337	-
Subtotal Assistance Listing Number 93.558			19,864,372	-
Passed through the California Department of Child Support Services:				
Child Support Enforcement	93.563	N/A	5,719,531	-
Passed through the California Department of Social Services:				
Adoption and Legal Guardianship Incentive Payments	93.603	1946001347-A7	63,973	-
Stephanie Tubbs Jones Child Welfare Services Program - Administration	93.645	1946001347-A7	205,333	-
Foster Care Title IV-E - Probation	93.658	1946001347-A7	236,902	236,902
Foster Care Title IV-E - Administration	93.658	1946001347-A7	2,242,679	-
Foster Care Title IV-E - Assistance Payments	93.658	1946001347-A7	2,192,715	1,249,481
Subtotal Assistance Listing Number 93.658			4,672,296	1,486,383
Adoption Assistance - Administration	93.659	1946001347-A7	267,772	-
Adoption Assistance - Assistance Payments	93.659	1946001347-A7	3,356,252	-
Subtotal Assistance Listing Number 93.659			3,624,024	-
Social Services Block Grant - Title XX - Administration	93.667	1946001347-A7	406,460	-
Social Services Block Grant - Title XX - Assistance Payments	93.667	1946001347-A7	201,120	-
Subtotal Assistance Listing Number 93.658			607,580	-
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	1946001347-A7	159,826	-
Elder Abuse Prevention Interventions Program	93.747	1946001347-A7	104,987	-

County of Imperial
Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended June 30, 2024

Federal Grantor/Pass-Through Grantor/Program/Cluster Title	Federal Assistance Listing Number	Grant Identification Number	Federal Award Expenditures	Pass-Through Award to Subrecipients
U.S. Department of Health and Human Services (Continued):				
Medicaid Cluster:				
Passed through the California Department of Health Care Services:				
Medical Assistance Program - Family Support Services - Child Health and Disability Prevention (CHDP) Pro	93.778	N/A	158,342	-
Medical Assistance Program - Family Support Services - Health Care Program for Children in Foster Care (HCPCFC)	93.778	N/A	177,449	-
Medical Assistance Program - Family Support Services - Psychotropic Medication Monitoring & Oversight (PMM&O)	93.778	N/A	23,084	-
Medical Assistance Program - Mental Health Administrative Cost (Short-Doyle)	93.778	N/A	2,480,866	-
Medical Assistance Program - Mental Health Administrative Cost (SUD)	93.778	N/A	311,033	-
Passed through the California Department of Social Services:				
Medical Assistance Program - In-Home Supportive Services - Public Authority (IHSS-PA)	93.778	N/A	258,020	-
Medical Assistance Program - (Title XIX, APS/CSBG)	93.778	N/A	77,267	-
Medical Assistance Program - (Title XIX, CWS IV-E)	93.778	N/A	15,361	-
Medical Assistance Program - (Title XIX, CMSP)	93.778	N/A	490	-
Medical Assistance Program - (Title XIX, DHS Medi-Cal)	93.778	N/A	6,198,863	-
Medical Assistance Program - (Title XIX, IHSS)	93.778	N/A	1,315,268	-
Total Medicaid Cluster			11,016,043	-
Opioid STR (State Opioid Response)	93.788	N/A	395,194	-
National Bioterrorism Hospital Preparedness Program	93.889	22-10649	159,527	-
Passed through the California Department of Public Health:				
HIV Care Formula Grants	93.917	18-10868	141,201	141,128
Passed through the California Department of Health Care Services:				
Block Grants for Community Mental Health Services	93.958	N/A	764,945	-
Block Grants for Community Mental Health Services - Casa Serena	93.958	1H79SN085538-01	1,634,809	-
Subtotal Assistance Listing Number 93.958			2,399,754	-
Block Grants for Prevention and Treatment of Substance Abuse	93.959	N/A	1,056,309	-
Sexually Transmitted Diseases (STD) Prevention and Control Grants - DIS Workforce Development	93.977	21-10556	129,037	-
Maternal and Child Health Services Block Grant to the States - Maternal, Child, and Adolescent Health	93.994	202213 Imperial MCAH	274,903	-
Maternal and Child Health Services Block Grant to the States	93.994	Imperial (13) CCS FY 23-24	590,039	-
Subtotal Assistance Listing Number 93.994			864,942	-
Total U.S. Department of Health and Human Services			57,728,887	2,359,111
U.S. Executive Office of the President:				
Direct Programs:				
High Intensity Drug Trafficking Areas Program	95.001	HIIDTA LECC	811,797	-
High Intensity Drug Trafficking Areas Program	95.001	HIDTA MMT	160,798	-
Total U.S. Executive Office of the President			972,595	-
U.S. Department of Homeland Security:				
Passed through the California Governor's Office of Emergency Services:				
Homeland Security Grant Program	97.067	2020-0095	1,154,157	857,211
Homeland Security Grant Program	97.067	2021-0081	906,931	468,464
Homeland Security Grant Program	97.067	2022-0043	50,941	-
Subtotal Assistance Listing Number 97.067			2,112,029	1,325,675
Total U.S. Department of Homeland Security			2,112,029	1,325,675
Total Expenditures of Federal Awards			$ 97,934,018	$ 7,861,627

Note 1 – Reporting Entity

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of County of Imperial, California (the "County") under programs of the federal government for the year ended June 30, 2024. The information in this Schedule is presented in accordance with the 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). Because the Schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net position, or cash flows of the County. The County's reporting entity is defined in Note 1 to the County's basic financial statements.

Note 2 – Summary of Significant Accounting Policies

Funds received under the various grant programs have been recorded within the general fund, special revenue funds and proprietary funds of the County. The County utilizes the modified accrual method of accounting for the General Fund and special revenue funds and accrual method of accounting for proprietary funds. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Under these principles, certain types of expenditures are not allowable or are limited as to reimbursement. Therefore, some amounts presented in the Schedule may differ from amounts presented in, or used in the preparation of, the financial statements. Because the Schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net position, or cash flows of the County.

Note 3 – Federal Assistance Listing Numbers

The Federal Assistance Listing Numbers (ALNs) included in the accompanying Schedule were determined based on the federal program name, review of grant contract information, and the U.S. General Services Administration's SAM.gov website. When no ALN had been assigned to a program, the two-digit federal agency identifier and the federal contract number were used. When there was no federal contract number, the two-digit federal agency identifier and the word "unknown" were used.

Note 4 – Pass-Through Entities' Identifying Number

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

Note 5 – Indirect Cost Rate

The County, as a whole, has not elected to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance. Individual departments, or programs, may have a negotiated rate or they may have elected to use the 10 percent de minimis indirect cost rate within their individual grants.

Note 6 – Aging Cluster

The California Department of Aging considers other closely-related pass-through programs by the State to be included with the Aging Cluster, in accordance with 2 CFR 200.17.

Note 7 – Medicaid Cluster

Except for Medi-Cal administrative expenditures, Medicaid and Medicare program expenditures are excluded from the Schedule. These expenditures represent fees for services; therefore, neither is considered a federal award program of the County for purposes of the Schedule or in determining major programs. The County assists the State of California (the “State”) in determining eligibility and provides Medi-Cal and Medicare services through County-owned health facilities. Medi-Cal administrative expenditures are included in the Schedule as they do not represent fees for services.

County of Imperial
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2024

Section I – Summary of Auditor's Results

Financial Statements

Type of report the auditors issued on whether the financial statements audited were prepared in accordance with GAAP:	Unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified?	2024-001, 2024-002
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
• Material weakness(es) identified?	2024-003
• Significant deficiency(ies) identified?	2024-004
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 2 CFR 200.516(a)?	Yes

Identification of major programs:

Federal Assistance Listing Number(s)	Name of Federal Program or Cluster	Federal Expenditures
10.561	Supplemental Nutrition Assistance Program (SNAP) Cluster	$ 5,042,466
14.228	Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	3,436,127
17.258/259/278	Workforce Innovation and Opportunity Act (WIOA) Cluster	11,677,886
21.027	Coronavirus State and Local Fiscal Recovery Fund	10,900,048
93.563	Child Support Enforcement	5,719,531
93.778	Medicaid Cluster	11,016,043
	Total Expenditures of All Major Federal Programs	$ 47,792,101
	Total Expenditures of Federal Awards	$ 97,934,018
	Percentage of Total Expenditures of Federal Awards	48.80%

Dollar threshold used to distinguish between type A and type B programs	$2,938,021
Auditee qualified as low-risk auditee in accordance with 2 CFR 200.520?	No

Section II – Financial Statement Findings

Finding 2024-001 Deficit Unassigned Fund Balance (Significant Deficiency)

Criteria:

The Governmental Accounting, Auditing and Financial Reporting (Blue Book) recommends that local governments regardless of size, maintain unrestricted fund balance in their General fund of no less than two months of regular general fund operating revenues or regular general fund operating expenditures.

When the operations of a special revenue fund are not anticipated to eliminate a deficit fund balance, management should make appropriate requests to transfer the necessary funds from the General Fund to eliminate the deficit.

Condition:

During our audit we noted that thirteen special revenue funds and one capital projects fund have deficit unassigned fund balances. The Social Services Special Revenue Fund, Public Works Roads Special Revenue Fund, Library Special Revenue Fund, Substance Abuse Special Revenue Fund, IHSS Public Authority Special Revenue Fund, RV Park Lake Library Special Revenue Fund, Admin ICCED Special Revenue Fund, Economic Development Special Revenue Fund, USDA Special Revenue Fund, Judicial Special Revenue Fund, Police Protection Special Revenue Fund, Recreational Facilities Special Revenue Fund, Other Protection Special Revenue Fund, and Capital Projects Capital Projects Fund had deficit fund balances at the end of the year that was not solely the result of the timing of revenue recognition. The balance in unassigned fund balance is the amount of current net assets available to finance future operations. The County has not been able to maintain adequate levels of unassigned fund balance in thirteen special revenue funds and one capital projects fund.

Identification as a Repeat Finding, If Applicable:

Yes. See finding 2023-001.

Cause:

The County has not been able to maintain adequate levels of unassigned fund balance in the thirteen special revenue funds and one capital projects fund. This deficits in the special revenue funds and capital projects fund are a result of the recorded budgeted expenditures exceeding the budgeted special revenues being collected and the incoming transfers from other funds; required grant matching not transferred timely from the matching fund; and ongoing litigation with granting agencies and other funding sources regarding the reimbursement of funds expended for special purposes.

Effect:

The County may not be in a position to adequately fund required future operations and the General Fund ending fund balance may be higher due to the lack of transfers made to address deficits in special revenue funds.

Recommendation:

The County should review all special revenue funds with negative unassigned fund balance and determine what action is appropriate. We also recommend the County determine if such special revenue funding will not be available to cover the costs being incurred, we recommend that management make appropriation requests to transfer the necessary funds from the General Fund to eliminate the deficit.

Section II – Financial Statement Findings (Continued)

Finding 2024-001 Deficit Unassigned Fund Balance (Significant Deficiency) (Continued)

View of Responsible Officials and Planned Corrective Action:

See separate Corrective Action Plan.

Finding 2024-002 Delay in Financial Reporting (Significant Deficiency)

Criteria:

Management is responsible for providing timely and accurate financial information. Since the County has expended over $750,000 of expenditures of federal awards, Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Award* (Uniform Guidance), states the County is required to submit the Data Collection Form and the reporting package to the Federal Audit Clearinghouse and the State Controller's Office, which include the Basic Financial Statements of the County, within the earlier of 30 days after receipt of auditor's report, or nine month after the end of the audit period.

Condition:

The County has experienced significant delays in the preparation and issuance of the 2024 basic financial statements and its Single Audit required under Uniform Guidance.

Cause:

Due to changes in accounting staff and significant unforeseen workload impacts the Finance Department had difficulty handling the day-to-day operations and perform year-end closing procedures and the required external reporting functions simultaneously in order to provide timely financial statements.

Effect:

Delays in processing year-end closing procedures caused the financial statements release to be delayed. In addition, the County is neither in compliance with Uniform Guidance nor is it meeting its current demands for external financial reporting.

Identification as a Repeat Finding, If Applicable:

Yes. See finding 2023-002.

Recommendation:

Auditor-Controller Department should look at increasing the amount of experienced accounting staff to help facilitate year-end closing processes and the preparation of its basic financial statements. Because the basic financial statements are the responsibility of the County, it is in its own best interest to closely monitor the accounting process to ensure that financial position and operating results are accurately and timely reported.

The following steps could be used to avoid future delays:

- Assign additional qualified accounting personnel to help process complex transactions;

Section II – Financial Statement Findings (Continued)

Finding 2024-002 Delay in Financial Reporting (Significant Deficiency) (Continued)

Recommendation (Continued):

- Identify critical due dates and develop a listing of assignment, including department coordinated items, based on available resources to meet those due dates;
- Hold periodic meetings to monitor the progress of assignments and responsibilities; and
- Conduct management review of financial statements and audit schedules prior to presenting them to the auditors'.

View of Responsible Officials and Planned Corrective Action:

See separate Corrective Action Plan.

Section III – Federal Award Findings and Questioned Costs

Finding 2024-003 Internal Control and Compliance over Subrecipient Monitoring (Material Weakness)

Information on the Federal Program:

Assistance Listing Number(s):	17.258, 17.259, 17.278
Federal Program Name:	Workforce Innovation and Opportunity Act (WIOA)
Federal Agency:	U.S. Department of Labor
Pass-Through Entity:	California Employment Development Department
Federal Award Number and Award Year:	AA211008/AA311008/AA411008/AA411009/AA411010

Criteria:

Title 2 - Grants and Agreements. Subtitle A - Office of Management and Budget Guidance for Grants and Agreements. Chapter II - Office of Management and Budget Guidance. Part 200 - Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. Subpart D - Post Federal Award Requirements. Standards for Financial and Program Management. §200.303 Internal controls (2 CFR 200.303):

The non-Federal entity must:

(a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in "Standards for Internal Control in the Federal Government" issued by the Comptroller General of the United States or the "Internal Control Integrated Framework", issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Title 2: Grants and Agreements, Subtitle A - Office of Management and Budget Guidance for Grants and Agreements, Chapter II - Office of Management and Budget Guidance, Part 200 - Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards Subpart D - Post Federal Award Requirements, Subrecipient Monitoring and Management, §200.331 Requirements for pass-through entities (2 CFR 200.331):

All pass-through entities must:

(a) Ensure that every subaward is clearly identified to the subrecipient as a subaward and includes the following information at the time of the subaward and if any of these data elements change, include the changes in subsequent subaward modification. When some of this information is not available, the pass-through entity must provide the best information available to describe the Federal award and subaward. Required information includes:

(1) Federal award identification

i. Subrecipient name (which must match the name associated with its unique entity identifier);
ii. Subrecipient's unique entity identifier;
iii. Federal Award Identification Number (FAIN);
iv. Federal Award Date (see the definition of *Federal award date* in § 200.1 of this part) of award to the recipient by the Federal agency;
v. Subaward Period of Performance Start and End Date;
vi. Subaward Budget Period Start and End Date;
vii. Amount of Federal Funds Obligated by this action by the pass-through entity to the subrecipient;

Section III – Federal Award Findings and Questioned Costs (Continued)

Finding 2024-003 Internal Control and Compliance over Subrecipient Monitoring (Material Weakness) (Continued)

Criteria (Continued):

(1) Federal award identification (Continued)
- viii. Total Amount of Federal Funds Obligated to the subrecipient by the pass-through entity including the current financial obligation;
- ix. Total Amount of the Federal Award committed to the subrecipient by the pass-through entity;
- x. Federal award project description, as required to be responsive to the Federal Funding Accountability and Transparency Act (FFATA);
- xi. Name of Federal awarding agency, pass-through entity, and contact information for awarding official of the Pass-through entity;
- xii. Assistance Listings number and Title; the pass-through entity must identify the dollar amount made available under each Federal award and the Assistance Listings Number at time of disbursement;
- xiii. Identification of whether the award is R&D; and
- xiv. Indirect cost rate for the Federal award (including if the de minimis rate is charged) per § 200.414.;

(2) All requirements imposed by the pass-through entity on the subrecipient so that the Federal award is used in accordance with Federal statutes, regulations and the terms and conditions of the Federal award;

(3) Any additional requirements that the pass-through entity imposes on the subrecipient in order for the pass-through entity to meet its own responsibility to the Federal awarding agency including identification of any required financial and performance reports;

<u>Title 2: Grants and Agreements, Subtitle A - Office of Management and Budget Guidance for Grants and Agreements, Chapter II - Office of Management and Budget Guidance, Part 200 - Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards Subpart D - Post Federal Award Requirements, Subrecipient Monitoring and Management, §200.332 Requirements for pass-through entities (2 CFR 200.332):</u>

All pass-through entities must:

(a) Evaluate each subrecipient's risk of noncompliance with Federal statutes, regulations, and the terms and conditions of the subaward for purposes of determining the appropriate subrecipient monitoring described in paragraphs (d) and (e) of this section, which may include consideration of such factors as:
- (1) The subrecipient's prior experience with the same or similar subawards;
- (2) The results of previous audits including whether or not the subrecipient receives a Single Audit in accordance with Subpart F of this part, and the extent to which the same or similar subaward has been audited as a major program;
- (3) Whether the subrecipient has new personnel or new or substantially changed systems; and
- (4) The extent and results of Federal awarding agency monitoring (*e.g.,* if the subrecipient also receives Federal awards directly from a Federal awarding agency).

Condition:

During our testing of the Imperial County Workforce Development Office's (ICWDO) provisions for subrecipient monitoring under the WIOA Cluster, we noted two (2) of the two (2) subrecipient selected for testing, there was no review or approval over the monitoring procedures performed by ICWDO monitoring staff. The entire population consisted of two (2) subrecipients. Also, the County did not document their evaluation of the subrecipient's risk of noncompliance.

Section III – Federal Award Findings and Questioned Costs (Continued)

Finding 2024-003 Internal Control and Compliance over Subrecipient Monitoring (Material Weakness) (Continued)

Condition (Continued):

The following information was not provided at the time of the subaward for two (2) of the two (2) subawards selected for testing:

- Federal award identification number
- Federal award date of award to recipient by the Federal agency
- Name of federal awarding agency
- Federal Financial Assistance Listing/CFDA Number
- Identification of whether the award is research and development

Cause:

The County's ICWDO department does not have a formal procedure in place for the department's review and approval over the monitoring procedures performed by the department over its subrecipients. The ICWDO department did not ensure that the required award information and applicable requirements were communicated to the subrecipients and did not maintain documentation of their evaluation of each subrecipient's risk of noncompliance.

Effect:

The County's ICWDO department did not review and approve monitoring procedures performed over its subrecipients. Additionally, the ICWDO department did not maintain policies and procedures to align with the Subrecipient Monitoring requirements in 2 CFR 200.332 (a) and 200.332(b).

Identification as a Repeat Finding, If Applicable:

Yes. See Finding 2023-004.

Questioned Costs:

No questioned costs were identified.

Recommendation:

We recommend ICWDO implement policies and procedures in accordance with 2 CFR 200.331(a) 200.332(b) to ensure compliance with subrecipient monitoring requirements and that require the review and approval of the monitoring procedures performed over its subrecipients by a separate individual.

View of Responsible Officials and Planned Corrective Action:

See separate Corrective Action Plan.

Section III – Federal Award Findings and Questioned Costs (Continued)

Finding 2024-004 Internal Control and Compliance over Reporting (Significant Deficiency)

Information on the Federal Program:

Assistance Listing Number:	17.258, 17.259, 17.278
Federal Program Name:	Workforce Innovation and Opportunity Act (WIOA)
Federal Agency:	U.S. Department of Labor
Pass-Through Entity:	California Employment Development Department
Federal Award Number and Award Year:	AA211008/AA311008/AA411008/AA411009/AA411010

Criteria:

Title 2 - Grants and Agreements. Subtitle A - Office of Management and Budget Guidance for Grants and Agreements. Chapter II - Office of Management and Budget Guidance. Part 200 - Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. Subpart D - Post Federal Award Requirements. Standards for Financial and Program Management. §200.303 Internal controls (2 CFR 200.303):

The non-Federal entity must:

(a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in "Standards for Internal Control in the Federal Government" issued by the Comptroller General of the United States or the "Internal Control Integrated Framework", issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

OMB No. 1205-0461 states that all Employment and Training Administration (ETA) grantees are required to submit quarterly financial reports for each grant award they receive. Financial data is required to be reported cumulatively from grant inception through the end of each reporting period.

Condition:

During our testing of Imperial County Workforce Development Office's (ICWDO) provisions for reporting requirements, we noted the following instances:

- For two (2) of the two (2) quarterly reports from a nonstatistical sample, the amounts reported did not agree to the amounts recorded in the County's general ledger and SEFA;

- For four (4) of the four (4) monthly reports from a nonstatistical sample, the amounts reported did not agree to the amounts recorded in the County's general ledger and SEFA;

- For four (4) of the four (4) monthly reports from a nonstatistical sample, the reports were prepared, reviewed, and approved by the same individual;

- For one (1) of the one (1) closeout report consisting of the entire population, the amounts reported did not agree to the amounts recorded in the County's general ledger and SEFA;

Section III – Federal Award Findings and Questioned Costs (Continued)

Finding 2024-004 Internal Control and Compliance over Reporting (Significant Deficiency) (Continued)

Cause:

ICWDO did not ensure the amounts reported on the quarterly financial reports agreed to the amounts recorded in the County's general ledger and SEFA and did not ensure there was segregation of duties over the preparation and review and approval of the monthly reports.

Effect:

The ICWDO department's procedures were not consistently followed, which requires reports to agree to the amounts recorded in the general ledger and SEFA and requires reports to be reviewed and approved by a separate individual.

Identification as a Repeat Finding, If Applicable:

Yes. See Finding 2023-005.

Questioned Costs:

No questioned costs were identified.

Recommendation:

We recommend ICWDO adhere to their policies and procedures and ensure amounts reported on the quarterly financial reports agree to the County's general ledger and SEFA and ensure segregation of duties over the preparation and approval of monthly reports.

View of Responsible Officials and Planned Corrective Action:

See separate Corrective Action Plan.

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PRIOR AUDIT FINDINGS STATUS

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County of Imperial
Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2024

Reference Number: **Financial Statement Finding 2023-001 (Significant Deficiency)**
Deficit Unassigned Fund Balance

Audit Finding: During our audit we noted that the General fund and seven special revenue funds had deficit unassigned fund balances. The Social Services Special Revenue Fund, Community Development Block Grant (CDBG) Special Revenue Fund, Other Protection Special Revenue Fund, Police Protection Special Revenue Fund, Library Special Revenue Fund, Economic Development Special Revenue Fund, USDA Special Revenue Fund, and Disaster Recovery Grant Special Revenue Fund had deficit fund balances at the end of the year that was not solely the result of the timing of revenue recognition. The balance in unassigned fund balance is the amount of current net assets available to finance future operations. In particular, an adequate level of unassigned fund balance in the General Fund is essential to mitigate current and future risks and to ensure stable service levels. The County has not been able to maintain adequate levels of unassigned fund balance in the General fund and seven special revenue funds.

Recommendation: We recommend that the County establish a formal policy on the level of unassigned fund balance to be maintained in the General fund. This policy should provide both a temporal framework and specific plans for increasing the level of unassigned fund balance to bring it in compliance with that policy. In addition the County should review all special revenue funds with negative unassigned fund balance and determine what action is appropriate. We also recommend the County determine if such special revenue funding will not be available to cover the costs being incurred, we recommend that management make appropriation requests to transfer the necessary funds from the General Fund to eliminate the deficit.

Status: Not implemented. See Finding 2024-001.

Reference Number: **Financial Statement Finding 2023-002 (Significant Deficiency)**
Delay in Financial Reporting

Audit Finding: The County has experienced significant delays in the preparation and issuance of the 2023 basic financial statements and its Single Audit required under Uniform Guidance.

Recommendation: The auditor's recommended the Auditor-Controller Department look at increasing the amount of experienced accounting staff to help facilitate year-end closing processes and the preparation of its basic financial statements. Because the basic financial statements are the responsibility of the County, it is in its own best interest to closely monitor the accounting process to ensure that financial position and operating results are accurately and timely reported.

Status: Not implemented. See Finding 2024-002.

Reference Number: **Financial Statement Finding 2023-003 (Significant Deficiency)**
Internal Control Over Preparation of the Schedule of Expenditures of Federal Awards

Audit Finding: Prior to submission to the Auditor Controller's Office for compilation of the Schedule, the County departments needs to ensure that the information is complete and accurate. During our testing of the Schedule, we noted the following error:

- $11.2 million in programs listed as Medicaid Cluster program reimbursement were listed at federal awards, although the County is only eligible to claim administration reimbursement on the SEFA as a federal award.
- $3.8 million in Medicaid Cluster administration reimbursements were missing from the Behavioral Health Department's SEFA as required by the Uniform Guidance.
- Programs were missing their proper grant award number, passthrough entity name, and passthrough entity award identifier, as required by the Uniform Guidance.

The errors were subsequently corrected by the auditor prior to performing the major program determination.

Recommendation: The County's Social Services and Behavioral Health Services departments should continue to evaluate its existing process and controls related to its ability to properly account for, report, and timely submit complete and accurate federal award information to the Auditor Controller, which affords their ability to timely compile and produce a final Schedule pursuant to the Uniform Guidance.

Status: Implemented.

Reference Number: **Federal Award Finding 2023-004 (Material Weakness)**
Internal Control and Compliance over Subrecipient Monitoring

Program Identification: U.S. Department of Labor
ALN 17.258, 17.259, 17.277, 17.278 – WIOA Cluster

Audit Finding: During our testing of the Imperial County Workforce Development Office's (ICWDO) provisions for subrecipient monitoring under the WIOA Cluster, we noted the following instances:

- For one (1) of the one (1) subrecipient selected for testing, there was no review or approval over the monitoring procedures performed by ICWDO monitoring staff.
- The following information was not provided at the time of the subaward for one (1) of the one (1) subaward selected for testing:
  - Federal award identification number
  - Federal award date of award to recipient by the Federal agency
  - Name of federal awarding agency
  - Federal Financial Assistance Listing/CFDA Number
  - Identification of whether the award is research and development
- The County did not document their evaluation of each subrecipient's risk of noncompliance.

Reference Number:	**Federal Award Finding 2023-004 (Material Weakness) (Continued)** *Internal Control and Compliance over Subrecipient Monitoring*
Recommendation:	The auditor's recommended the County implement policies and procedures in accordance with 2 CFR 200.331(a) 200.332(b) to ensure compliance with subrecipient monitoring requirements and that require the review and approval of the monitoring procedures performed over its subrecipients by a separate individual.
Status:	Not implemented. See finding 2024-003.

Reference Number:	**Federal Award Finding 2023-005 (Significant Deficiency)** *Internal Control and Compliance over Reporting*
Program Identification:	U.S. Department of Labor ALN 17.258, 17.259, 17.278 – WIOA Cluster
Audit Finding:	During our testing of Imperial County Workforce Development Office's (ICWDO) provisions for reporting requirements, we noted the following instances: • For two (2) of the two (2) quarterly reports, the amounts reported did not agree to the amounts recorded in the County's general ledger and SEFA • For four (4) of the four (4) monthly reports, the amounts reported did not agree to the amounts recorded in the County's general ledger and SEFA • For one (1) of the one (1) closeout report, the amounts reported did not agree to the amounts recorded in the County's general ledger and SEFA • For four (4) of the four (4) monthly reports, the reports were prepared, reviewed, and approved by the same individual.
Recommendation:	The auditor's recommended the ICWDO adhere to their policies and procedures and ensure amounts reported on the quarterly financial reports agree to the County's general ledger and SEFA and ensure segregation of duties over the preparation and approval of monthly reports.
Status:	Not implemented. See finding 2024-004.

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