COUNTY EXECUTIVE OFFICE

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COUNTY OF IMPERIAL

CORRECTIVE ACTION PLAN

FOR THE YEAR ENDED JUNE 30, 2024

Compiled by: Dr. Kathleen Lang- County Executive Office
County of Imperial, California

"Establishing Direction, Creating Opportunity"

AN EQUAL OPPORTUNITY/AFFIRMATIVE ACTION EMPLOYER

County of Imperial, California

Corrective Action Plan

For the Year Ended June 30, 2024

I. FINANCIAL STATEMENT FINDINGS

2024-001 Deficit Unassigned Fund Balances
Type of Finding: Significant Deficiency

Management's or Department's Response:

Imperial County agrees with this finding and recommendation. The County recognizes the importance of maintaining adequate fund balances and will continue to monitor funds with deficit unassigned fund balances. Management will evaluate the underlying causes of the deficits and implement appropriate corrective actions to ensure compliance with applicable accounting and budgeting requirements.

Views of Responsible Officials and Corrective Action Plan:

The County will analyze each fund with a deficit unassigned fund balance to determine the underlying cause. If expenditures or revenues were misclassified, the necessary accounting corrections will be made. If the deficit is the result of an actual overspending of appropriations, the County will process the appropriate budget adjustments and transfers in accordance with County policy and applicable regulations. In addition, the County will review reimbursement processes to ensure reimbursements are requested and recorded timely, thereby reducing the likelihood of future fund deficits. Management will continue to monitor fund balances throughout the fiscal year and work with departments to address deficits as they arise

Name of Responsible Person:

Dr. Katheen Lang, County of Executive Office

Implementation Date:

December 31, 2026

2024-002 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:

Imperial County agrees with this finding and recommendation. The Auditor-Controller's Department is actively working with the County's Chief Executive Office to address the delays in financial reporting and close the reporting gap. As part of these efforts, the County has contracted with CliftonLarsonAllen (CLA) to provide professional accounting and financial reporting support in partnership with County staff. This collaboration is intended to strengthen the financial reporting process, improve efficiency, and facilitate the timely completion of the Annual Comprehensive Financial Report (ACFR). The County will continue to evaluate and enhance its internal processes and resources to support timely financial reporting in future fiscal years.

Name of Responsible Person:

Dr. Katheen Lang, County of Executive Office

Implementation Date:

December 31, 2025

II. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

2024-003 **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:

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, 2025.

Name of Responsible Person:

Priscilla A Lopez, ICWDB Director

Implementation Date:

December 31, 2025

2024-004 **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

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 specifics 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, 2025.

Name of Responsible Person:

Priscilla A Lopez, ICWDB Director

Implementation Date:

December 31, 2025