COUNTY EXECUTIVE OFFICE

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COUNTY OF IMPERIAL

CORRECTIVE ACTION PLAN

FOR THE YEAR ENDED JUNE 30, 2025

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, 2025

I. FINANCIAL STATEMENT FINDINGS

2025-001 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. Kathleen Lang, County Executive Office

Implementation Date:

December 31, 2026

2025-002 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. Kathleen Lang, County Executive Office

Implementation Date:

December 31, 2026

II. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

2025-003

Federal Program Name: Foster Care - Title IV-E
Federal Financial Assistance Listing Number: 93.658
Federal Agency: U.S. Department of Health and Human Services
Pass-Through Entity: California Department of Social Services
Federal Award No. and Award Year: CFL 24/25-06, 07, 09, 18, 30, 31, 54, 61, 74 2025

Compliance Requirements: Subrecipient Monitoring
Type of Finding: Material Weakness

Management's or Department's Response:

Imperial County Department of Social Services agrees with the finding.

Views of Responsible Officials and Corrective Action Plan:

Imperial County Department of Social Services (ICDSS) has an established oversight framework for Foster Family Agencies and Short-Term Residential Therapeutic Programs receiving Title IV-E funds. This process derives from ICDSS's interpretation of CFL 24/25-82, which states that the County may rely on the California Department of Social Services (CDSS) Fiscal Auditing Unit (FAU) for applicable risk assessment information. The County also considers CDSS licensing determinations, approved rates, audit-related communications, and other available compliance information when evaluating an entity's fiscal accountability, compliance, and appropriateness for placement.

As part of the placement approval and ongoing oversight process, ICDSS reviews CDSS Decision Management Letters related to fiscal audits and considers any concerns identified, if any, for the specific placement agency, before approving or continuing placements. Placement is approved and continued only when the applicable rate remains in effect, and no significant concerns have been identified that would affect the entity's eligibility to provide services.

To address the identified documentation gap, ICDSS will formalize its subrecipient monitoring procedures and establish a documented process for obtaining, reviewing, and retaining fiscal and compliance information. As part of this process, ICDSS will request applicable FAU risk assessments and audit information from CDSS. Because ICDSS does not currently have direct access to the FAU information, it will coordinate with the appropriate CDSS contact/FAU to request the applicable risk assessment and audit information for entities receiving Title IV-E funds. The County will document the request, information received, date of review, and any follow-up actions required. If information is not available from CDSS, ICDSS will document the request and the response received and determine whether additional documentation or follow-up is necessary based on the circumstances.

ICDSS will also establish a procedure to determine whether each applicable subrecipient is subject to and has received a Single Audit under the Uniform Guidance. The County will review available Single Audit information, including applicable audit reports and findings, and will document whether one was completed and if there are any findings related to Title IV-E funds or services provided by the placement agency. Where findings are identified, ICDSS will document its review and any necessary follow-up, including coordination with CDSS or the subrecipient, as appropriate. This review will be incorporated into the County's overall risk-based monitoring process.

The formal monitoring process will identify the personnel responsible for performing and reviewing subrecipient monitoring. The designated ICDSS fiscal/program staff will perform the initial monitoring and compile the applicable documentation, including FAU risk assessments and audit information, CDSS Decision Management Letters, Single Audit information, licensing status, approved rates, and other relevant compliance information. A designated ICDSS analyst will review the completed monitoring documentation for completeness, adequacy of follow-up, and resolution of identified concerns. Monitoring will be performed at least annually for applicable Title IV-E subrecipients, with additional monitoring or follow-up conducted when risk assessments, audit findings, licensing actions, significant rate changes, or other circumstances indicate a need for more frequent review.

ICDSS will maintain documentation supporting each monitoring review. The monitoring file will include, if applicable, audit information requested from CDSS, CDSS Decision Management Letters, Single Audit documentation and findings, licensing information, approved rate information, monitoring checklists or review documentation, correspondence, identified findings and any corrective actions implemented. This documentation will be retained in a single designated electronic file so that the monitoring performed and conclusions reached can be readily demonstrated during future audits.

The County also conducts monthly Social Worker visits for children placed with these entities to monitor service delivery and ensure that services are being provided in accordance with the child's needs and the applicable placement rates. Concerns identified during these visits are documented in case records and elevated to management, as appropriate. These ongoing case-management activities will continue and will complement the formal fiscal and compliance monitoring process described above.

The target implementation date for the enhanced subrecipient monitoring procedures is December 31, 2026. ICDSS Fiscal Analysis Unit will be responsible for coordinating implementation of the procedures, including establishing the process for requesting FAU information from CDSS, confirming Single Audit status, coordinating the monitoring review, and confirming that supporting documentation is appropriately retained.

These enhancements will strengthen the County's ability to document the oversight activities already being performed and provide a consistent, risk-based framework for demonstrating compliance with applicable Federal and State requirements. The formalized process will also provide clear accountability for obtaining and reviewing relevant audit information, documenting monitoring activities and follow-up, and maintaining sufficient records to demonstrate that required subrecipient oversight has been performed.

Name of Responsible Person:

Paula S. Llanas, Director (Department of Social Services)

Implementation Date:

December 31, 2026

2025-004 **Program: Workforce Innovation and Opportunity Act (WIOA)**
Federal Financial Assistance Listing Number: 17.258, 17.259, 17.278
Federal Grantor: U.S. Department of Labor
Pass-Through: California Employment Development Department
Award No. and Year: AA411008/AA511008 2025

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 2025-004 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 implementing the corrective action by December 31, 2026.

Name of Responsible Person:

Priscilla A Lopez, ICWDB Director

Implementation Date:

December 31, 2026

2025-005 **Program: Homeland Security Grant Program (Operation Stonegarden)**
Federal Financial Assistance Listing Number: 97.067
Federal Grantor: U.S. Department of Homeland Security
Pass-Through: California Governor's Office of Emergency Services
Award No. and Year: 2021-0081 2021, 2022-0043 2022, 2023-0042 2023

Compliance Requirements: Subrecipient Monitoring
Type of Finding: Material Weakness

Management's or Department's Response:

Imperial County Sheriff's Office (ICSO) agrees with the finding.

Views of Responsible Officials and Corrective Action Plan:

ICSO serves as the implementing agency for the County's Operation Stonegarden (OPSG) subawards from the California Governor's Office of Emergency Services (Cal OES) and reimburses participating law enforcement agencies for approved operational overtime and related costs. Under ICSO's current process, each participating agency's reimbursement claim is reviewed before payment, including the supporting timesheets and activity reports, to confirm that the costs claimed are supported and relate to OPSG operations. This review will continue and will be incorporated into the formal monitoring process described below.

To address the finding, ICSO will develop and implement written subrecipient monitoring procedures for its pass-through responsibilities under the OPSG program in accordance with 2 CFR 200.332. Under these procedures, ICSO will document, for each participating agency, whether the agency is a subrecipient or a contractor in accordance with 2 CFR 200.331, and will retain the determination in the program file.

For participating agencies determined to be subrecipients, ICSO will revise its Memorandums of Understanding (MOUs), with review by Imperial County Counsel, to clearly identify each agreement as a subaward and include the Federal award information required by 2 CFR 200.332(a), including:

- Subrecipient name and unique entity identifier
- Federal Award Identification Number (FAIN) and Federal award date
- Subaward period of performance start and end dates
- Amount of Federal funds obligated to the subrecipient
- Assistance Listing number and title, and the names of the Federal awarding agency and pass-through entity
- Identification of whether the award is research and development
- Indirect cost rate for the Federal award

These requirements will apply to new agreements and to amendments of existing agreements, and the information will be updated when it changes.

Before executing each subaward, and at least annually thereafter, ICSO will complete and document a risk assessment for each subrecipient. The risk assessment will consider the subrecipient's prior experience with OPSG subawards, the results of previous audits, including whether the subrecipient receives a Single Audit, whether the subrecipient has new personnel or new or substantially changed systems, and the results of any Federal or Cal OES monitoring. The assessed risk will determine the nature and extent of monitoring performed for each subrecipient.

In addition to the existing review of reimbursement claims, ICSO will perform monitoring based on each subrecipient's assessed risk. Monitoring may include desk reviews of the subrecipient's records supporting claimed overtime, pay rates, and related costs, and site visits for higher-risk subrecipients. Results, identified exceptions, and required corrective actions will be documented and followed up until resolved.

ICSO will also establish a procedure to determine annually whether each subrecipient is subject to and has received a Single Audit under the Uniform Guidance. ICSO will obtain and review available Single Audit reports and will document whether one was completed and whether there are any findings related to OPSG funds. Where findings are identified, ICSO will document its review, issue management decisions as applicable, and follow up on the subrecipient's corrective action.

The formal monitoring procedures will identify the personnel responsible for performing and reviewing subrecipient monitoring. Designated ICSO fiscal staff will complete the subrecipient determinations, risk assessments, monitoring reviews, and Single Audit verifications, and a designated ICSO supervisor will review the completed documentation for completeness, adequacy of follow-up, and resolution of identified concerns.

ICSO will maintain documentation supporting each monitoring review. The monitoring file for each subrecipient will include the subrecipient or contractor determination, the executed subaward agreement and any amendments, the risk assessment, monitoring checklists and results, Single Audit review documentation, correspondence, and any corrective actions implemented. This documentation will be retained in a single designated electronic file so

that the monitoring performed and conclusions reached can be readily demonstrated during future audits.

The target implementation date for the subrecipient monitoring procedures is December 31, 2026. ICSO will be responsible for coordinating implementation, including revising the MOUs with County Counsel, completing subrecipient determinations and risk assessments, performing monitoring reviews, confirming Single Audit status, and confirming that supporting documentation is appropriately retained.

These enhancements will build on ICSO's existing review of reimbursement claims and provide a consistent, risk-based framework for demonstrating compliance with Federal subrecipient monitoring requirements. The formalized process will also provide clear accountability for issuing compliant subaward agreements, assessing subrecipient risk, documenting monitoring activities and follow-up, and maintaining sufficient records to demonstrate that required subrecipient oversight has been performed.

ICSO anticipates implementing the corrective action by December 31, 2026.

Name of Responsible Person:

Federico Miramontes, Sheriff-Coroner-Marshal

Implementation Date:

December 31, 2026