



AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA) COMPLIANCE AUDIT OF THE AGING NUTRITION GRANT

FINAL AUDIT REPORT

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COUNTY OF SAN DIEGO
INTER-DEPARTMENTAL CORRESPONDENCE

April 23, 2010

TO: Pamela B. Smith, Director
Health & Human Services Agency

FROM: James L. Pelletier
Chief of Audits

**FINAL REPORT: AMERICAN RECOVERY AND REINVESTMENT ACT COMPLIANCE AUDIT
OF THE AGING NUTRITION GRANT**

Enclosed is our report on the American Recovery and Reinvestment Act (ARRA) Compliance Audit of the Aging Nutrition Grant. As there are no findings and recommendations in the report, no audit response is required.

Thank you for the courtesousness and cooperation extended to the Office of Audits & Advisory Services during the course of the audit.

If you have any questions, please contact me at (858) 495-5661.

JAMES L. PELLETIER
Chief of Audits

AUD:LF:aps

Enclosure

c: Nick N. Macchione, Director, HHSA
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Paula Landau-Cox, Deputy Director, HHSA
Terry Hogan, Executive Finance Director, HHSA
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INTRODUCTION

Audit Objective

As part of our efforts to provide reasonable assurance that the County of San Diego is in compliance with the American Recovery and Reinvestment Act of 2009 (ARRA or the Act), the Office of Audits & Advisory Services (OAAS) conducted an audit of the Aging Nutrition Program subsidized with ARRA funds.

The objectives of the audit were to establish whether ARRA funds were properly managed and accounted for, determine whether data related to the grant were properly captured and reported as mandated by the Act, and determine whether adequate internal controls for the administration of ARRA funds had been established.

Background

The Act was signed into law on February 17, 2009. The purposes of the Act are to preserve and create jobs, promote economic recovery, assist those most affected by the recession, provide investments to increase economic efficiency through technological advances in science and health, and invest in transportation, environmental protection, and other infrastructure. The Act specifically appropriated \$100 million to support Senior Nutrition Programs. The California Department of Aging (CDA) was allocated approximately \$9,827,504 to support these programs.

In July 2009, CDA awarded \$722,846 of ARRA funding to the County of San Diego's Aging and Independence Services (AIS). These funds were provided to compensate existing elderly nutrition service providers in the community for increased meal costs. Providers receive a supplemental hourly rate under the Act which allows them to meet their increasing meal costs and avoid any decreases in service.

Audit Scope & Limitations

Audit work focused on grant activities conducted during FYs 2008-09 and 2009-10.

This audit was conducted in accordance with auditing standards prescribed by the Institute of Internal Auditors, Inc., as required by California Government Code, Section 1236.

Methodology

OAAS performed the audit using the following methods:

- Reviewed Office of Management and Budget (OMB) ARRA guidance, Inspector General (IG) ARRA directives, and State of California ARRA related regulations to identify and understand specific ARRA requirements and expectations;
- Examined Government Accountability Office (GAO) reports that discussed significant risks related to ARRA;
- Interviewed AIS staff responsible for grant fiscal administration and project management;

- Examined policies and procedures governing the administration of grants;
- Reviewed processes for grant administration, monitoring, and reporting of grant activities; and
- Conducted specific audit procedures such as inspection of documents, reconciliation of records, verification of key transactions, and inquiries regarding fraud prevention controls.

AUDIT RESULTS

Summary

OAAS' audit work determined that, within the scope of our audit, there is reasonable assurance that AIS is generally in compliance with ARRA grant requirements.

COMMENDATION

The Office of Audits & Advisory Services commends and sincerely appreciates the courteousness and cooperation extended by the officers and staff of the Aging and Independence Services throughout this audit.

Office of Audits & Advisory Services

Compliance

Reliability

Effectiveness

Accountability

Transparency

Efficiency

VALUE