

**COUNTY OF EL DORADO**

**Management Report  
For the Year Ended June 30, 2004**

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To the Honorable Members of the  
Board of Supervisors of the County of El Dorado  
Placerville, California

In planning and performing our audit of the basic financial statements of the County of El Dorado (County) for the fiscal year ended June 30, 2004, we considered its internal control in order to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statements and not to provide assurance on internal control.

Our consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the basic financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control and its operation that we considered to be material weaknesses as defined above.

However, during our audit we became aware of several matters that are opportunities for strengthening internal controls and operating efficiency. The memorandum that accompanies this letter summarizes our comments and suggestions concerning those matters. We previously reported on the County's internal control in our report dated December 14, 2004. This letter does not affect our report dated December 14, 2004 on the financial statements of the County of El Dorado.

This report is intended for the use of management, the Board of Supervisors, the Grand Jury and officials of the federal and state grantor agencies.

We thank the County's staff for its cooperation during our audit.

BARTIG, BASLER & RAY, CPAs, INC.

*Bartig, Basler & Ray, CPAs, Inc.*

December 14, 2004  
Roseville, California

# COUNTY OF EL DORADO

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## AUDITOR-CONTROLLER

### COUNTY LAND PARCEL LISTING

#### Condition

During our review of the County's capital asset records, we noted that the County did not have a detailed listing of its land parcels. It was also discovered that the County had not recognized land parcel sales on its accounting records during the fiscal year under review. It should be noted that the County adjusted its records immediately upon notification of this finding.

#### Effect of Condition

The preparation of detailed property records aids in the accounting for property disposals and provides controls to safeguard the assets of the County. Additionally, it ensures that transactions are recorded timely and consistently.

#### Recommendation

We recommend the County perform the following:

- Compile a detailed property record for all land parcels owned by the County.
- Develop a process whereby all land sale transactions are reported to the Auditor's Office to ensure that the detailed records are updated properly and the County's accounting records are not overstated.

At a minimum, the detailed property records should include the following information:

- Land parcel description with an assessor parcel number identifier
- Acquisition cost and date of acquisition.

#### Management Response

We agree with the finding.

We will prepare a detail listing of the individual land acquisitions as recommended that reconcile to the land value reflected in the County's general ledger.

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## ADMINISTRATOR

### PERSONNEL FILE MAINTENANCE

#### Condition

During our test of internal control over payroll transactions, Employment Eligibility Forms (Form I-9) were reviewed for several employees of the County. Of the employees tested, we noted that 3 employee personnel files were missing Form I-9. During the audit, a Form I-9 was sufficiently completed by one of the employees. The other two were either unavailable or no longer employed by the County.

#### Criteria

The instructions on Form I-9 indicate that the employer is responsible for ensuring completion of the entire form no later than the close of business on the employee's third day of employment.

#### Effect of Condition

As a result, the County runs the risk of civil or criminal penalties for non-compliance with the Immigration Reform and Control Act of 1986.

#### Recommendation

We recommend that Federal Form I-9 be completed for each new hire within three business days of the employee's hire date.

#### Management Response

The county has implemented procedures to insure that all new hires have the required I-9 forms filed with Human Resources or in offsite storage. The county uses a check list to insure that the employee files are complete.

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## SOLID WASTE MANAGEMENT

### WASTE MANAGEMENT REPORTING

#### Condition

During our review of the County's calculation for landfill closure and post-closure care costs it was noted that the County's estimates were outdated. Additionally, the County failed to complete the required annual reports to the California Integrated Waste Management Board for the past four fiscal years (2000-01, 2001-02, 2002-03, 2003-04).

#### Effect of Condition

As required by the California Integrated Waste Management Board (CIWMB), according to Title 27, California Code of Regulations, Division 2, Subdivision 1, Chapter 6, Subchapter 3, Article 1, Section 22236, the County is required to submit a report to CIWMB annually. In addition, Governmental Accounting Standards Board (GASB) Statement 18 requires the County to update its cost estimates for landfill closure and post-closure care cost on an annual basis.

#### Recommendation

We recommend that the County take corrective actions to file revised cost estimates for the previous years mentioned above. Additionally, we recommend that the County calculate liability estimates and file annual reports timely in future years.

#### Management Response

We agree with the finding.

The 2003 annual report has now been filed. The County is currently in the process of completing a new engineering study to update the closure and post closure estimates for the landfill.

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## DEPARTMENT OF SOCIAL SERVICES

**FOOD STAMPS, CFDA 10.551 & 10.561**  
**FOSTER CARE – TITLE IV-E, CFDA 93.658**  
**TEMPORARY ASSISTANCE FOR NEEDY FAMILIES, CFDA 93.558**

### Criteria

Under the statewide California County Welfare Department Cost Allocation Plan (CWD CAP), a time study must be completed by employees of the Social Services Department during the middle month of each quarter. The time study hours are compiled on an Excel worksheet. The compilation of all hours is then input into the County Expense Claim and drives allocation of salaries, services and supplies to different programs using the CWD CAP.

### Condition

We tested the PIN codes (sometimes referred to as time study codes) which were recorded by employees against the compilation of the hours for input into the County Expense Claim. We noted that one time study showed 40 hours worked under PIN code 911, but this time was input into the compilation of hours as PIN code 901. We noted that another continuous time study showed three months, totaling 214 hours, but was input as if the time study was a mid-month of the quarter time study as only 94 hours.

### Effect of Condition

Incorrect input of time studies into the County Expense Claim causes Department of Social Services' programs to be incorrectly billed for wages, services and supplies because these expenses are allocated based upon the time studies.

### Recommendation

We recommend that the Department review these errors to determine if they are (1) isolated instances of noncompliance; or (2) procedures can be implemented to prevent their recurrence.

### Management Response

We concur, with the exception of the PIN code numbers. PIN codes 901 and 911 are incorrectly documented and should be PIN codes 0901 and 0911. Time Study hours for 0911 were incorrectly recorded to PIN 0901 in the County Expense Claim (CEC) and were corrected in the Mar 04 supplemental claim. The continuous time study, which should have reflected 214 hours in the time study summary, was not corrected. These were isolated incidents and in the future will be reviewed for accuracy and compliance by an Accountant.

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## DEPARTMENT OF SOCIAL SERVICES (continued)

### **TEMPORARY ASSISTANCE FOR NEEDY FAMILIES – CFDA 93.558 60-Month Time Limit**

#### Criteria

Any family that includes an adult, minor child head of household or a spouse of a head of household who has received assistance under any State program funded by federal TANF funds for 60 months (whether or not consecutive) is ineligible for additional federal TANF assistance. 42 USC 608(a)(7). Certain exemptions apply in counting the months on federal TANF assistance. Because the counting of months on TANF is not entirely accurate without manual intervention, the County must undertake an individual review of each case file to account for “clocked” months.

#### Condition

We tested 25 cases and noted that in 2 cases the TANF 60-month clock had a mark of “E” for exempt for several months, when in fact these months were not exempt under TANF regulations.

#### Effect of Condition

Leaving these months marked as “E” for exempt can result in individuals receiving TANF assistance for more than 60 months in violation of federal law.

#### Recommendation

We recommend that the County review its current system of assuring that the 60-month time-on-aid, TANF limit is not exceeded and determine whether or not these exceptions are isolated instances of noncompliance or the system of controls should be revised.

#### Management Response

El Dorado is currently time tracking approximately 945 CW cases for both State and Federal timelines. Exemptions are compared with Welfare-to-Work staff and other counties. The findings that occurred are an isolated incident.



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## DEPARTMENT OF SOCIAL SERVICES (continued)

### **TEMPORARY ASSISTANCE FOR NEEDY FAMILIES – CFDA 93.558 Income Eligibility and Verification System (IEVS)**

#### Criteria

As required by section 1137 of the Social Security Act, benefit information from the Income Eligibility and Verification System (IEVS) database must be requested and used when making eligibility determinations. The County must review and compare the information obtained from IEVS against information contained in the case record to determine whether it affects the individual's eligibility or level of assistance, benefits or services.

#### Condition

We tested 25 cases from the Temporary Assistance for Needy Families (TANF) program and noted that one case did not contain an IEVS for two children in the family.

#### Effect of Condition

The IEVS system is an elaborate, federally-mandated system which compiles government information for the purpose of tracking federal program eligibility data. Not requesting and using IEVS in eligibility determination might result in individuals receiving benefits to which they are not entitled.

#### Recommendation

We recommend that the county review these exceptions and determine if they are isolated instances of noncompliance or a review process should be implemented to see that IEVS are requested, reviewed, compared to the case record, and used in determining eligibility for TANF benefits.

#### Management Response

County TANF application and renewal process includes the ordering and reviewing of IEVS documents by eligibility staff on all persons prior to granting or renewal of a TANF case. The area cited would seem to be an isolated incident of probably a child or children entering the home after application is granted or the latest renewal had been finished. A reminder to staff to order and clear IEVS on all persons being included in the TANF AU will be sent out.