

COUNTY OF SACRAMENTO

DEPARTMENT OF FINANCE - AUDITOR-CONTROLLER DIVISION – INTERNAL AUDITS UNIT

INTERNAL AUDIT REPORT

DEPARTMENT OF HUMAN ASSISTANCE
FISCAL MONITORING

SOUTHEAST ASIAN ASSISTANCE CENTER



Audit Committee Submittal Date: 01/28/2019

SUMMARY

Background

Federal Uniform Grant Guidelines require pass-through agencies to perform fiscal monitoring of sub-recipients of Federal funding. The Department of Human Assistance requested the Internal Audits Unit perform fiscal monitoring of its identified sub-recipient, Southeast Asian Assistance Center, to satisfy the Uniform Grant Guideline requirements.

Audit Objective

Inspect the sub-recipient's financial statements, internal controls, invoice claims, general ledger, cost allocation, and funding sources for compliance with the contractual agreements between the sub-recipient and the County of Sacramento.

Summary

We noted several issues related to the sub-recipient's financial statements, internal controls, invoice claims, general ledger, cost allocation, and funding sources related to the compliance with the contractual agreements with the County of Sacramento and Federal Uniform Grant Guidelines.

Department of Finance

Ben Lamera
Director



Auditor-Controller Division

Joyce Renison
Assistant Auditor-Controller

County of Sacramento

December 19, 2018

Ann Edwards, Director
Department of Human Assistance
1825 Bell Street, Suite 200
Sacramento, CA 95825

**INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES**

Dear Ms. Edwards:

We have performed the procedures enumerated below, which were requested and were agreed to by you regarding Southeast Asian Assistance Center's (SAAC) fiscal compliance as outlined in the contractual agreement (Agreement) for the period listed below:

- Agreement Number DHA-SAAC-01-15 for outreach and enrollment activities for the expansion of Medi-Cal for Sacramento County targeted populations (a.k.a. Program Services) for the period from January 6, 2015 to June 30, 2016.

The sufficiency of the procedures is solely the responsibility of the Department of Human Assistance (DHA). Consequently, we make no representation regarding the sufficiency of the procedures described on pages 2 and 3 either for the purpose for which this report has been requested or for any other purpose. This report is applicable solely to the Agreement referred to above and is not intended to pertain to any other contractual agreements of DHA or SAAC.

This agreed-upon procedures engagement was conducted to assist DHA to assess SAAC's financial condition and comply with Section 200.331(d) of the Title 2 Code of Federal Regulations (2 CFR) *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.

DHA's management is responsible for monitoring SAAC's fiscal compliance of the Agreement in accordance with Section 200.331(d) "*Monitor the activities of the subrecipient [SAAC] as necessary to ensure that the subaward [Agreement] is used for authorized purposes, in compliance with Federal statutes, regulations, and the terms and conditions of the subaward [Agreement].....*"

The procedures we performed for the Agreement and our findings were as follows below and on the next page:

1. Financial Statements – We inspected SAAC’s audit reports for fiscal years ended June 30, 2015 and 2016 to identify any concerns or issues that require your attention.

Finding: We noted exceptions that require your attention as a result of our procedures. See Attachment I, *Comments and Recommendations*.

2. Internal Control – We inspected SAAC’s written internal control policies and procedures including purchasing, vendor payments, payroll, claim submission, cost allocation, general ledger, and financial report preparation.

Finding: We noted several exceptions that require your attention as a result of our procedures. See Attachment I, *Comments and Recommendations*.

3. Claim Submission – We obtained and inspected SAAC’s monthly invoice claims for the months of January 2015, June 2015, and January 2016. We were engaged to obtain and inspect SAAC’s June 2016 invoice claim, however, SAAC reached their contract budget in January 2016. As such, no June 2016 invoice claim was submitted to DHA for us to inspect.

- General Ledger: We selected and tested a total of 30 general ledger transactions from the monthly invoice claims.
- Participants: We selected and tested a total of 20 Program Services participants from the monthly invoice claims.

We traced the monthly invoice claims, transactions, and participants to the supporting documentation.

We extrapolated the result from this procedure to compute projected questioned costs for the entire period from January 6, 2015 to June 30, 2016.

Finding: We noted several exceptions that require your attention as a result of our procedures. See Attachment I, *Comments and Recommendations* and Schedules I to III, *Schedule of Questioned Costs*.

4. General Ledger – We traced SAAC’s monthly invoice claims for January 2015, June 2015, and January 2016 to its general ledger. We were engaged to trace SAAC’s June 2016 invoice claim to its general ledger, however, SAAC reached their contract budget in January 2016. As such, no June 2016 invoice claim was submitted to DHA for us to trace.

Finding: We noted several exceptions that require attention as a result of our procedures. See Attachment I, *Comments and Recommendations* and Schedules I to III, *Schedule of Questioned Costs*.

5. Cost Allocation – We inspected SAAC’s cost allocation policies and procedures to identify any concerns or issues that required your attention. We tested the transactions listed at Item 3 on the previous page to identify any issues related to cost allocation.

Finding: We noted an exception that requires your attention as a result of our procedures. See Attachment I, *Comments and Recommendations*.

6. Funding Sources – We made inquiries to SAAC’s management to identify any funding sources other than DHA. We also inspected SAAC’s general ledger and invoice claims for January 2015, June 2015, and January 2016 to identify any inappropriate or duplicated charges. We were engaged to inspect SAAC’s June 2016 invoice claim, however, SAAC reached their contract budget in January 2016. As such, no June 2016 invoice claim was submitted to DHA for us to inspect.

Finding: SAAC received funding from DHA and the Department of Health Services during our review period. We noted an exception that requires your attention as a result of our procedures. See Attachment I, *Comments and Recommendations*.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to, and did not perform an audit, examination, or review, the objectives of which would be the expression of an opinion or conclusion, respectively, on SAAC’s financial statements or schedules, or compliance for the aforementioned programs, or results of our procedures above and on page 2. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The projected questioned costs presented at Attachment I, *Comments and Recommendations*, and Schedules I to III, *Schedule of Questioned Costs* are extrapolated based on our testing with the assumption that the same average error rate applied to each invoice in the population for the entire period of this agreed-upon procedures. Had we tested additional invoices, the projected questioned costs would likely be changed.

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DHA's management responses to the findings identified during our engagement are described in Attachment I, *Comments and Recommendations*. We did not perform procedures to validate DHA's management responses to the findings and, accordingly, we do not express an opinion on the responses to the findings.

This report is intended solely for the information and use of the Sacramento County Board of Supervisors, Sacramento County Audit Committee, Sacramento County Executive, DHA's management, Federal awarding agencies, and pass-through entities. It is not intended to be and should not be used by anyone other than these specified parties. However, this restriction is not intended to limit distribution of this report, which is a matter of public record.

Sincerely,

BEN LAMERA
DIRECTOR OF FINANCE



By: Hong Lun (Andy) Yu
Audit Manager

Enclosures

Attachment I: *Comments and Recommendations*
Schedules I to III: *Schedule of Questioned Costs*

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1. Financial Statement Finding

Comment

Based on our inspection of the Department of Human Assistance's (DHA) sub-recipient Southeast Asian Assistance Center's (SAAC) financial statements, we noted concerns regarding SAAC's internal controls. As part of the audit of SAAC's financial statements for the year ended June 30, 2016, SAAC's independent auditor issued a supplemental Report on Internal Control Over Financial Reporting (a.k.a. Internal Control Report) and documented several internal control findings regarding SAAC's financial operations.

The Internal Control Report documented issues related to the following:

- I. SAAC's mileage reimbursement rate
- II. Compensated absences
- III. Petty cash
- IV. Grant reimbursement tracking and recording
- V. Custody of funds for another organization
- VI. Credit cards
- VII. Board meetings
- VIII. Separation of duties

We also noted the same independent auditor also completed an audit for SAAC's financial statements for the year ended June 30, 2017. As such, we requested SAAC to provide a follow-up to the Internal Control Report for the year ended June 30, 2017. Based on the results of the follow-up Internal Control Report completed by SAAC's independent auditor, it appears that issues I through VI above have been resolved and issues VII and VIII above have not been corrected.

As a result of these issues, we noted several concerns related to SAAC's invoice claims submitted to DHA described in Finding Number 3 of this attachment.

Internal control weaknesses should be resolved in a timely manner; lack of proper internal controls can lead to invoice claim errors and omissions, and not be in compliance with the contractual agreements between SAAC and DHA (a.k.a. Agreement).

Recommendation

We recommend DHA contact SAAC to resolve the outstanding internal control findings in a timely manner.

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DHA Management's Response

DHA agrees with the finding. SAAC is working on resolving their internal control findings. SAAC is currently working on their policies and procedures and will then be adopted by the SAAC Board for implementation.

2. Internal Control Finding

Comment

During our engagement, we noted the following issues related to SAAC's internal controls:

- I. SAAC did not have written policies and procedures for its financial activities including, but not limited to, purchasing, vendor payments, payroll, invoice claim submission, cost allocation, and financial reporting. A narrative of these activities were provided upon our request, however, the narrative was informal and was not adopted by SAAC's Board of Directors.
- II. All of SAAC's financial activities were handled by two staff, resulting in a lack of proper separation of duties.
- III. Several of SAAC's mileage claims submitted by employees did not include beginning and destination addresses. Acronyms of destinations were used in place of addresses. However, based on our inspection, the mileage claims expended appeared to be reasonable.
- IV. We noted two general ledger transactions selected for testing did not have any substantiating supporting documentation. Per our inquiry with SAAC, the support could not be located. See Finding Number 3 for further details.

Proper internal controls and Federal grant guidelines require SAAC to have established written policies and procedures for its financial activities. Written policies and procedures will assist the organization in maintaining proper internal controls. Lack of policies and procedures can create inconsistency and confusion among staff, cause invoice claim errors and omissions, and not be in compliance with the Agreement and Federal grant guidelines.

Financial activities should be performed by more than two people in an organization to ensure proper separation of duties is established. Lack of separation of duties can lead to invoice claim errors and omissions, non-compliance with the Agreement, and theft or misappropriation of assets.

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In addition, all mileage claims should include beginning and destination addresses. By not including addresses on mileage claims, SAAC cannot determine whether the claims submitted by employees are accurate.

Furthermore, all general ledger expenses submitted with the monthly invoice claims should have adequate supporting documentation. Without supporting documentation, we could not determine whether the expenses claimed were appropriate or in compliance with the Agreement. See also Finding Number 3.

Recommendation

We recommend DHA:

- Require SAAC to develop, adopt, and implement written policies and procedures for its financial activities.
- Require SAAC to establish proper separation of duties.
- Require SAAC mileage claims to include beginning and destination addresses.
- Require SAAC to ensure all expenses claimed to DHA have adequate supporting documentation.

DHA Management's Response

DHA agrees with the finding. SAAC will address the internal control issues. SAAC is currently working on their policies and procedures which will then be adopted by the SAAC Board for implementation.

SAAC will make changes within limited resources to have more personnel involved in the handling of financial activities. SAAC is currently working with one of its board members who is a Chief Financial Officer at his company to review and create the needed financial policies and procedures.

SAAC has made changes to their mileage claims process beginning summer of 2018 to require staff to include addresses to their destinations on the mileage claims.

SAAC is currently reviewing their current record keeping process to ensure that supporting documentation can be more easily located when needed. A decision will be made in the very near future on a better system.

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3. Claim Submission Finding

Comment

SAAC submitted monthly invoice claims to DHA under a cost reimbursement Agreement. We selected and tested general ledger samples from the months of January 2015, June 2015, and January 2016, and traced SAAC's general ledger to the respective invoice claims. We were engaged to select, test, and trace SAAC's general ledger and invoice claim for the month of June 2016. However, SAAC reached their contract budget limit in January 2016 and did not submit a June 2016 invoice claim.

During our inspection, we noted the following issues:

- I. During the Agreement period of January 6, 2015 to June 30, 2016, SAAC submitted claims to both DHA and the Department of Health Services (DHS). As described in Finding Number 5, SAAC did not practice a reasonable cost allocation methodology, and many of the expenses allocated to the DHA Agreement could not be substantiated. Time studies were maintained for DHA and DHS Agreements, however, SAAC's time studies could not be agreed to the following line items claimed below:

- We could not substantiate any of the line items claimed, totaling \$5,700 in January 2015.
- We could not substantiate the Telephone and Communications and Salaries and Benefits line items, totaling \$500 and \$13,598, respectively, in June 2015.
- We could not substantiate the Telephone and Communications line item, totaling \$743 in January 2016.

As such, we consider the above line items, totaling \$20,540 (\$5,700 + \$500 + \$13,597 + \$743), to be questioned costs. See also Finding Numbers 2 and 5.

- II. During the month of June 2015, we noted two expenses that had no supporting documentation in the amounts of \$111 and \$137. As such, we could not determine whether these expenses were allowable. Accordingly, we consider \$248 (\$111 + \$137) to be questioned costs. See also Finding Number 2.
- III. During the month of January 2016, we noted that SAAC over-claimed on the Travel and Mileage line item by \$258. The over-claimed amount represents the

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amount submitted with SAAC's monthly invoice claims that could not be substantiated by SAAC's general ledger. Under the cost reimbursement Agreement, only amounts expended by SAAC can be claimed. Accordingly, we consider the over-claimed amount to be questioned costs.

Proper internal controls indicate SAAC should only submit invoice claims for expenditures incurred. Adequate supporting documentation should be maintained for all expenses claimed. In addition, a proper and consistent cost allocation methodology should be practiced when submitting invoice claims to more than one funding source. These invoice claim errors and omissions have resulted in questioned costs, and non-compliance with the Agreement and applicable laws and regulations.

During the fiscal year (FY) 2014-15, we tested a total of \$20,403 out of the \$43,414 claimed by SAAC. Of the amount tested, we identified \$20,046, or 98.25% ($\$20,046 / \$20,403$), in questioned costs. Accordingly, of the remaining untested claims totaling \$23,011 ($\$43,414 - \$20,403$), we project \$22,608 ($98.25\% \times \$23,011$) to be questioned costs. See Schedule I, *Schedule of Questioned Costs* for detailed line item amounts.

During FY 2015-16, we tested a total of \$1,457 out of the \$31,586 claimed by SAAC. Of the amount tested, we identified \$1,001, or 68.70% ($\$1,001 / \$1,457$), in questioned costs. Accordingly, of the remaining untested claims totaling \$30,129 ($\$31,586 - \$1,457$), we project \$20,699 ($68.70\% \times \$30,129$) to be questioned costs. See Schedule II, *Schedule of Questioned Costs* for detailed line item amounts.

The results of our testing are summarized at Table 1 below:

Table 1: Summary of Questioned Costs

Fiscal Year	A	B	C	D	E
	SAAC's Claims	Amount Tested	Questioned Costs	C / B Projection Rate	D * (A - B) Projection
2014-15	\$ 43,414	20,403	20,046 ⁽¹⁾	98.25%	\$ 22,608
2015-16	31,586	1,457	1,001 ⁽²⁾	68.70%	20,699
Total	\$ 75,000	21,860	21,047		\$ 43,307

⁽¹⁾ Amount consists of \$5,700, \$500, \$13,598, and \$248 identified in items I and II.

⁽²⁾ Amount consists of \$743 and \$258 identified in items I and III.

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The projected questioned costs presented at Table 1 of this finding are extrapolated based on our testing with the assumption that the same average error rate applied to each invoice in the populations for the respective fiscal years. Had we tested additional invoices, the projected questioned costs would likely be changed. See Schedule IV, *Schedule of Questioned Costs*.

Recommendation

We recommend DHA the following:

- Require SAAC to only submit invoice claims for expenses actually incurred, and for the correct amounts.
- Require SAAC to maintain adequate supporting documentation for all expenses submitted with invoice claims.
- Require SAAC to adopt, implement, and practice a reasonable cost allocation methodology.
- Require SAAC to submit supporting documentation with their invoice claims; the general ledger details should be compared to the amounts claimed, and any differences should be researched and resolved prior to payment of invoice claims.
- Contact SAAC to develop a resolution to resolve the \$21,047 and \$43,307 in questioned and projected questioned costs, respectively.

DHA's Management Response

DHA agrees with the finding. SAAC has already made some improvements and is having a board member who is a Chief Financial Officer help them review financial records and to help make adjustments on how to appropriately record their financial activities.

SAAC is currently reviewing their current record keeping process to ensure that supporting documentation can be more easily located when needed. A decision will be made in the very near future on a better system.

SAAC intends to follow the recommendation of developing, adopting, and implementing a reasonable cost allocation methodology.

DHA has contacted SAAC to address the costs in question. We will not seek reimbursement for questioned costs.

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4. General Ledger Finding

We reiterate our comments and recommendations at Finding Numbers 2, 3 and 5.

5. Cost Allocation Finding

Comment

SAAC had contractual agreements with DHS and DHA during FY 2014-15 and 2015-16. During our inspection, we noted that SAAC did not appear to have or practice a reasonable written cost allocation methodology. Several line item expenses allocated between DHS and DHA could not be substantiated. As a result, we noted several issues related to SAAC's invoice claims. See Finding Number 3 for further details.

Federal Cost Principles require sub-recipients to practice a reasonable cost allocation methodology when operating with more than one Federal funding source. As such, SAAC is not in compliance with Federal Cost Principles.

Recommendation

We recommend DHA require SAAC to develop, adopt, and implement a reasonable cost allocation methodology.

DHA's Management Response

DHA agrees with the finding. SAAC intends to follow the recommendations of developing, adopting, and implementing a reasonable cost allocation methodology.

6. Funding Sources Finding

Comment

During FY 2015-16, SAAC received funding from DHS and DHA, as described in Finding Number 5. Invoice claims were submitted to both funding sources during this period. During our inspection and testing, we noted issues related to SAAC's lack of and application of a written cost allocation methodology and invoice claims submitted to both funding sources as described in Finding Numbers 2, 3, and 5.

Accordingly, we could not determine whether some of the expenses claimed to both funding sources were reasonable, and noted questioned costs described in Finding Number 3.

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Recommendation

We recommend DHA require SAAC to develop, adopt, and implement a reasonable cost allocation methodology.

DHA's Management Response

DHA agrees with the finding. SAAC intends to follow the recommendations of developing, adopting, and implementing a reasonable cost allocation methodology.

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 Schedule of Questioned Costs
 For the Period from January 6, 2015 to June 30, 2015

Budget Items	Budget ⁽ⁱ⁾	SAAC's Invoice Claims ⁽ⁱⁱ⁾	Questioned Costs ⁽ⁱⁱⁱ⁾
Program Expenses			
Salaries and Benefits	\$ 37,533	37,533	18,798
Rent	1,135	1,135	
Travel/Mileage	1,746	1,746	248
Telephone and Communications	3,000	3,000	1,000
Subtotal Program Expenses	43,414	43,414	20,046
Projection			22,608 ^(iv)
Total	\$ 43,414	43,414	42,654

⁽ⁱ⁾ Budget column represents the amounts obtained from the contractual agreement between the Department of Human Assistance (DHA) and Southeast Asian Assistance Center (SAAC) for the fiscal year (FY) 2014-15.

⁽ⁱⁱ⁾ SAAC's Invoice Claims column represents the total invoice claims submitted to DHA by SAAC.

⁽ⁱⁱⁱ⁾ Questioned Costs column represents the questioned costs identified during our engagement. For consideration of questioned costs, see Finding Number 3 in Attachment I, *Comments and Recommendations*.

^(iv) Amount represents the amount projected as questioned costs for the remaining monthly invoice claims not selected for testing. For consideration of projected questioned costs, see Finding Number 3 in Attachment I, *Comments and Recommendations*.

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Budget Items	Amount Claimed ⁽ⁱ⁾	SAAC's General Ledger ⁽ⁱⁱ⁾	Difference Over/(Under) ⁽ⁱⁱⁱ⁾	Questioned Costs ^(iv)
Program Expenses				
Salaries and Benefits	\$ 5,200	2,289	2,911	5,200
Rent				
Travel/Mileage				
Telephone and Communications	500	861	(361)	500
Total Program Expenses	\$ 5,700	3,150	2,550	5,700

⁽ⁱ⁾ Amount Claimed column represents SAAC's invoice claim submitted to DHA for the month of January 2015.

⁽ⁱⁱ⁾ SAAC's General Ledger column represents the amounts recorded in SAAC's general ledger for the month of January 2015.

⁽ⁱⁱⁱ⁾ Difference Over/(Under) column represents the difference between the amount in SAAC's general ledger and the amount claimed and paid by DHA.

^(iv) Questioned Costs column represents the questioned costs we identified during our engagement for the month of January 2015. For consideration of questioned costs, see Finding Number 3 in Attachment I, *Comments and Recommendations*.

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Schedule of Questioned Costs
For The Month Of June 2015

Budget Items	Amount Claimed ⁽ⁱ⁾	SAAC's General Ledger ⁽ⁱⁱ⁾	Difference Over/(Under) ⁽ⁱⁱⁱ⁾	Questioned Costs ^(iv)
Program Expenses				
Salaries and Benefits	\$ 13,597	2,230	11,367	13,598
Rent	284	284		
Travel/Mileage	1,545	2,667	(1,122)	248
Telephone and Communications	500	2,850	(2,350)	500
Total Program Expenses	\$ 15,926	8,031	7,895	14,346

⁽ⁱ⁾ Amount Claimed column represents SAAC's invoice claim submitted to DHA for the month of June 2015.

⁽ⁱⁱ⁾ SAAC's General Ledger column represents the amounts recorded in SAAC's general ledger for the month of June 2015.

⁽ⁱⁱⁱ⁾ Difference Over/(Under) column represents the difference between the amount in SAAC's general ledger and the amount claimed and paid by DHA.

^(iv) Questioned Costs column represents the questioned costs we identified during our engagement for the month of June 2015. For consideration of questioned costs, see Finding Number 3 in Attachment I, *Comments and Recommendations*.

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Budget Items	Budget ⁽ⁱ⁾	SAAC's Invoice Claims ⁽ⁱⁱ⁾	Questioned Costs ⁽ⁱⁱⁱ⁾
Program Expenses			
Salaries and Benefits	\$ 24,161	24,161	
Rent	2,271	2,271	
Travel/Mileage	2,154	2,154	258
Telephone and Communications	3,000	3,000	743
Subtotal Program Expenses	31,586	31,586	1,001
Projection			20,699 ^(iv)
Total	\$ 31,586	31,586	21,700

⁽ⁱ⁾ Budget column represents the amounts obtained from the contractual agreement between the Department of Human Assistance (DHA) and Southeast Asian Assistance Center (SAAC) for the fiscal year (FY) 2015-16.

⁽ⁱⁱ⁾ SAAC's Invoice Claims column represents the total invoice claims submitted to DHA by SAAC.

⁽ⁱⁱⁱ⁾ Questioned Costs column represents the questioned costs identified during our engagement. For consideration of questioned costs, see Finding Number 3 in Attachment I, *Comments and Recommendations*.

^(iv) Amount represents the amount projected as questioned costs for the remaining monthly invoice claims not selected for testing. For consideration of projected questioned costs, see Finding Number 3 in Attachment I, *Comments and Recommendations*.

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Budget Items	Amount Claimed ⁽ⁱ⁾	SAAC's General Ledger ⁽ⁱⁱ⁾	Difference Over/(Under) ⁽ⁱⁱⁱ⁾	Questioned Costs ^(iv)
Program Expenses				
Salaries and Benefits	\$ 308	2,946	(2,638)	
Rent				
Travel/Mileage	407	149	258	258
Telephone and Communications	743	284	459	743
Total Program Expenses	\$ 1,458	3,379	(1,921)	1,001

⁽ⁱ⁾ Amount Claimed column represents SAAC's invoice claim submitted to DHA for the month of January 2016.

⁽ⁱⁱ⁾ SAAC's General Ledger column represents the amounts recorded in SAAC's general ledger for the month of January 2016.

⁽ⁱⁱⁱ⁾ Difference Over/(Under) column represents the difference between the amount in SAAC's general ledger and the amount claimed and paid by DHA.

^(iv) Questioned Costs column represents the questioned costs we identified during our engagement for the month of January 2016. For consideration of questioned costs, see Finding Number 3 in Attachment I, *Comments and Recommendations*.

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<u>Questioned Costs</u> ^(I)	<u>Fiscal Year</u> <u>2014-15</u>	<u>Fiscal Year</u> <u>2015-16</u>	<u>Grand</u> <u>Total</u> ^(II)
Transaction Testing	\$ 248		248
SAAC's General Ledger and Invoice			
Claim Differences		258	258
Cost Allocation Deficiency	19,798	743	20,541
Projected Questioned Costs	<u>22,608</u>	<u>20,699</u>	<u>43,307</u>
Total	<u>\$ 42,654</u>	<u>21,700</u>	<u>64,354</u>

^(I) For consideration of questioned costs identified from transaction testing, invoice claim differences, cost allocation deficiency, and projections, see Finding Number 3 in Attachment I, *Comments and Recommendations*. For line item details of questioned costs, see Schedules I and II, *Schedule of Questioned Costs*.

^(II) Amounts represent the sum of the questioned costs and projected questioned costs identified during our engagement for FY 2014-15 and FY 2015-16.