Erica Pan, MD, MPH
Director and State Public Health Officer

Gavin Newsom
Governor

May 6, 2026

Sacramento County Public Health (SCPH)
Attn: Olivia Kasirye, MD, MS, Health Officer
7001-A East Parkway
Sacramento, CA 95823

SUBJECT: County of Sacramento – Final Audit Report
Public Health Emergency Preparedness (PHEP) and Hospital Preparedness Program (HPP) grant programs

The California Department of Public Health (CDPH), Office of Compliance presents the final audit report of County of Sacramento's State Fiscal Year (SFY) 2023-24 PHEP and HPP grants. The audit results section identifies noncompliance with applicable requirements. Sacramento should follow-up with its assigned contract manager within CDPH's Center for Preparedness and Response (CPR) to resolve the findings.

If the county wishes to appeal any finding in this report, it may file a written notice of disagreement with the Department of General Services' Office of Administrative Hearings within 60 days of the date of this letter. For more information regarding the appeal process or any questions regarding this report, please contact Connie Terrado, Chief, Grant Compliance Unit- Office of Compliance, at 916-306-2264, or connie.terrado@cdph.ca.gov.

We appreciate the assistance and cooperation of your office and staff during the audit.

Sincerely,

Natalie Chandler, CFE
Assistant Deputy Director
For: Rob Hughes
Deputy Director, Office of Compliance
CDPH

cc: Emily Duncan, MPH, Senior Health Program Coordinator, SCPH
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Grant Compliance Audit Report

COUNTY OF SACRAMENTO

SACRAMENTO, CALIFORNIA

PUBLIC HEALTH EMERGENCY PREPAREDNESS PROGRAM (PHEP)
& HOSPITAL PREPAREDNESS PROGRAM (HPP)

Grant Agreement No. 22-10673

Assistance Listing Numbers 93.069 & 93.889

FISCAL PERIOD: JULY 1, 2023, THROUGH JUNE 30, 2024

California Department of
Public Health

May 2026

Contents

Executive Summary

The California Department of Public Health's (CDPH) Office of Compliance presents its grant compliance audit report of the County of Sacramento (Sacramento or county). This audit focused on Sacramento's Public Health Emergency Preparedness Program (PHEP) and Hospital Preparedness Program (HPP) grant program expenditures and processes during State Fiscal Year July 1, 2023, through June 30, 2024 (SFY 2023-24).

The audit identified the following findings:

PHEP

Finding 1 – Sacramento County's travel reimbursements exceeded state limits.

HPP

Finding 1 – Sacramento County overcharged personnel costs and associated indirect costs.

Key Audit Recommendations:

Sacramento should ensure all personnel working on the PHEP and HPP grants are aware of and comply with applicable laws, regulations, the grant agreement, and CDPH's funding guidance. Actions necessary to address the specific findings of this report:

- Refund the Center for Preparedness and Response (CPR) for $433.00 to repay unallowable travel expenses charged to the SFY 2023-24 PHEP grant.
- Refund CPR for $622.06 to repay unallowable personnel costs and associated indirect costs.
- Strengthen internal review processes to better ensure invoices for personnel costs accurately reflect actual hours worked on the grant program and that all travel expenses submitted for reimbursement comply with grant requirements.

For additional corrective actions Sacramento should implement to fully address each finding, refer to the Recommendations section within each audit finding.

Sacramento Comments on the Audit Report:

Sacramento County accepted the audit report as presented. The county's full response can be found in Appendix C on page 20 of this report.

Introduction

The CDPH Office of Compliance's Grant Compliance Unit (hereinafter referred to as "we") conducts fiscal and compliance audits of local agencies receiving PHEP and HPP grants from CDPH. The audits are required as part of CDPH subrecipient monitoring responsibilities. In this audit, we reviewed Sacramento's expenditures and grant program processes to evaluate its compliance with the grant agreement, applicable laws, regulations, and CDPH's local guidance.

BACKGROUND

The PHEP program is funded by the U.S. Department of Health and Human Services (HHS) under Section 319C-1 of the Public Health Service (PHS) Act (42 USC 247d-3a). The purpose of this program is to upgrade and integrate state and local public health jurisdictions' preparedness for and response to bioterrorism and other public health emergencies with federal, state, local and tribal governments, the private sector, and non-governmental organizations. These efforts support the National Response Framework, which guides how the nation responds to all types of hazards including infectious disease outbreaks; natural disasters; biological, chemical, and radiological incidents; and explosions.

The HPP program is funded by the HHS under Section 319C-2 of the PHS Act (42 USC 247d-3b). The purpose of this program is to improve surge capacity and enhance community and hospital preparedness for public health emergencies. HPP funds are used to build medical surge capability through planning, personnel, equipment, and training and exercise capabilities at the state and local levels.

Sacramento is under a five-year grant agreement with CDPH for the PHEP and HPP programs, beginning July 1, 2022, and ending June 30, 2027. During our audit period, SFY 2023-24, the county expended the following federal PHEP and HPP funds:

Program[1]	Budget	Expenditures	Unexpended Funds
PHEP[2]			
Base	$ 1,540,517.12	$ 767,908.91	$ 772,608.21
CRI	$ 503,829.46	$ 378,239.02	$ 125,590.44
LAB	$ 365,982.00	$ 251,623.33	$ 114,358.67
PHEP Total:	**$ 2,410,328.58**	**$ 1,397,771.26**	**$ 1,012,557.32**
HPP	$ 610,759.31	$ 356,293.57	$ 254,465.74
Grand Total:	**$ 3,021,087.89**	**$ 1,754,064.83**	**$ 1,267,023.06**

[1] The table includes leftover, unexpended SFY 2022-23 funds (expanded authority) the county was authorized to expend during SFY 2023-24.
[2] In addition to the base budget for PHEP, the City Readiness Initiative (CRI) is funded to increase bioterrorism awareness in the nation's largest cities and Laboratories (LAB) is funded to, among other things, assist public health laboratories detect and address actual or potential exposure to chemical, radiological, and biological agents.

SCOPE AND METHODOLOGY

We conducted the audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our audit findings and conclusions. During the audit, we determined a reliability assessment of Sacramento's electronic data systems was not necessary, as other sources of evidence were available to complete the audit objectives. We believe the evidence obtained provides a reasonable basis for our audit findings and conclusions.

The scope of the audit was limited to determining whether SFY 2023-24 expenditures and grant program processes complied with applicable laws, rules, regulations, and best practices. We reviewed financial records to ensure the existence of proper documentation and accuracy of invoices submitted to the CDPH's CPR for reimbursement. We assessed the accounting principles used, and significant estimates made by county management personnel. We examined evidence supporting the amounts the county included in the expenditure reports and invoices it submitted to CPR, and performed substantive testing to evaluate compliance with key program requirements:

- Key personnel are familiar with grant requirements and utilize written policies and procedures to ensure the proper administration of grant funds.
- The financial management (accounting) system allows for the separate identification of grant funds received and expended, appropriately identifies the source and application of these funds, and is supported by source documentation.
- Required expenditure reports are accurate and timely, and relevant findings identified in audits are monitored and addressed.
- Claimed expenditures are supported, allowable, and based on approved budgets.
- There is adequate control over and accountability for equipment and property purchased with grant funds.
- Sub-contracts have been appropriately approved; payments made to subcontractors are supported, allowable, and based on approved budgets; and sufficient monitoring occurs to ensure subcontractors meet contract requirements.

The laws, regulations, and other criteria applicable to the audit include Title 45 Code of Federal Regulations (CFR) Part 75 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for HHS Awards (Uniform Guidance); California Health and Safety Code Sections 101315 to 101320; CPR policies and procedures outlined in local grant application and guidance (funding guidance); and the grant agreement between Sacramento and CDPH.

The audit does not constitute a financial statement audit; therefore, we do not express an opinion on Sacramento's financial statements. In addition, the audit did not include an evaluation of

Sacramento’s progress in reaching PHEP or HPP program goals and objectives. CPR contract managers separately monitor counties’ and other subrecipients’ performance through the review of periodic performance reports, site visits, and other activities.

INTERNAL CONTROL ASSESSMENT

Sacramento’s management is responsible for establishing and maintaining effective internal controls to ensure compliance with requirements for the administration of federal grant funds. In planning and performing our audit, we considered the county’s internal controls having a direct and material effect on its compliance with PHEP and HPP grant requirements. In addition, we used procedures to test and report on internal control over compliance in accordance with the Uniform Guidance.

However, our consideration of internal control was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies; therefore, material weaknesses or significant deficiencies may exist that have not been identified. Accordingly, we do not express an opinion on the effectiveness of Sacramento’s internal control over compliance.

AUDIT AUTHORITY

Section 101317 of the California Health and Safety Code requires CDPH to conduct an audit every three years of PHEP and HPP grant subrecipients. This audit helps fulfill that requirement. Additionally, the grant agreement between CDPH and the counties and other subrecipients allows for audits of the respective grant programs.

Fiscal and Compliance Items Reviewed[1]

As part of our audit, we completed the following steps:

Annual Single Audit Requirement	✓ Verified an independent Certified Public Accountant completed the Single Audit required by Uniform Guidance §75.501
	✓ Identified whether the audit report contained relevant findings
Financial Records Testing	✓ Verified Sacramento appropriately accounted for grant funds
	✓ Verified expenditures reported to CPR agreed with Sacramento's financial records
Internal Controls	✓ Assessed internal controls related to the PHEP and HPP programs
	✓ Reviewed whether fiscal control processes were appropriate and operational
Grant Compliance	✓ Evaluated compliance with other grant requirements, such as inventory control and the return of excess interest earned on program funds
CDPH Local Guidance	✓ Reviewed program documents required for funding
Personnel Expenditure Testing	✓ Tested whether employee salary and benefit expenses were paid in accordance with the grant requirements
	✓ Confirmed salaries paid by grant funds were for positions properly allocated to the PHEP and HPP grant programs
Travel Expenditure Testing	✓ Tested whether travel expenses were allowable, adequately supported, and complied with State Travel Policy requirements
	✓ Verified accounting ledgers and systems matched submitted invoices
Operating Expenditure Testing	✓ Tested whether expenditures reported to CPR matched Sacramento's records
	✓ Verified accounting ledgers and systems matched submitted invoices
Other Expenditure Testing	✓ Tested whether expenditures reported to CPR matched Sacramento's records
	✓ Verified accounting ledgers and systems matched submitted invoices
Indirect Expenditure Testing	✓ Verified reimbursed indirect costs did not exceed the approved rate
	✓ Verified indirect costs were allowable and based on actual expenditures
Subcontract Monitoring	✓ Confirmed subcontractors' eligibility to receive federal grant funds
	✓ Reviewed the appropriateness of subcontract payments and monitoring

[1] The table identifies the scope of testing for fiscal, and compliance matters as they relate to the federal grants. It does not indicate compliance or non-compliance for any items listed. Areas of non-compliance are included in the Audit Results sections of the report.

Audit Results - PHEP

PHEP Finding #1 – Sacramento County's Travel Reimbursements Exceeded State Limits

Condition

Sacramento charged travel costs to the PHEP grant that did not comply with grant requirements. During SFY 2023-24 the county claimed meals and incidental expenses (M&IE) for personnel attending the following events:

- 2024 Emergency Preparedness Training Workshop (EPTW), Long Beach, CA (May 8-10, 2024)
- 2023 American Public Health Associate (APHA) Conference, Atlanta, GA (November 12-15, 2023)
- National Association of City and County Health Officials (NACCHO) Preparedness Summit, Cleveland, OH (March 24-28, 2024)
- 2024 Qualtrics X4 Summit, Salt Lake City, Utah (May 1-3, 2024)

Sacramento's travel policy allows employees to claim the General Services Administration (GSA) per diem of $74.00 per day. However, the county's grant agreement with CDPH requires travel reimbursements to adhere to the rates and conditions established by the California Department of Human Resources (CalHR). These rules are incorporated by reference in Sacramento's PHEP grant agreement, and the CDPH Local Budget Instructions (Appendix B, page 1) require adherence to CalHR travel policies.

For SFY 2023-24, CalHR set the following maximum allowable reimbursement rates and conditions:

- Through December 31, 2023:
  - Meals: $7.00 breakfast, $11.00 lunch, $23.00 dinner
- Beginning January 1, 2024:
  - Meals: $13.00 breakfast, $15.00 lunch, $26.00 dinner
- Additional guidelines:
  - $5.00 incidental expenses allowed per full 24 hours of travel.
  - Meals included as part of conference registration may not be claimed.

Our audit testing found that the county's PHEP Base travel claims did not comply with these requirements:

- EPTW (2024): Five travelers claimed up to the GSA rate of $74.00 per diem, which exceeded the CalHR allowed rates; additionally, four travelers received breakfast and lunch reimbursement for days when the conference provided those meals.

- APHA (2023): Two travelers claimed up to the GSA rate of $74.00 per diem, which exceeded the CalHR allowed rates.
- NACCHO (2024): Two travelers claimed up to the GSA rate of $74.00 per diem, which exceeded the CalHR allowed rates.
- Qualtrics X4 Summit (2024): Two travelers claimed up to the GSA rate of $74.00 per diem, which exceeded the CalHR allowed rates.

The table below summarizes the unallowable travel charges by trip:

Travel Purpose	Amount CPR Paid	State Allowed M&IE	Unallowable Amount
3rd Invoice		*CPR paid 08/27/2024*	
EPTW	$ 541.00	$ 417.00	$ 124.00
APHA Conference	$ 671.00	$ 427.00	$ 244.00
NACCHO Preparedness Summit	$ 575.00	$ 520.00	$ 55.00
Qualtrics X4 Summit	$ 394.00	$ 384.00	$ 10.00
Total unallowable travel charges to be returned to CPR:			**$ 433.00**

Source: Invoices Ventura submitted to CPR

Because these meals and incidental expenses exceeded the CalHR reimbursement limits, the total $433.00 constitutes unallowable costs. Under Uniform Guidance §75.2, payments that do not comply with administrative requirements are considered improper and therefore unallowable. Uniform Guidance §75.410 requires unallowable payments to be refunded. Accordingly, the county must return $433.00 to CPR.

Criteria[2]

- CDPH Grant Agreement, Exhibit B.6 requires that any reimbursement for travel use the rates currently in effect, as established by CalHR.
- CDPH Local Emergency Preparedness Budget Instructions FY 23-24, Appendix B requires all travel reimbursement must meet the California Department of Human Resources' Travel Reimbursement.
- CalHR Travel Reimbursements policy sets the maximum allowable rates for MIE per day.
- CalHR Travel Reimbursements policy requires that meals provided to the traveler or included with conference registration must be deducted from travel reimbursement.
- Uniform Guidance §75.2 defines improper payments to include incorrect amounts.
- Uniform Guidance §75.410 identifies that unallowable payments must be refunded.

Cause/Consequence

Sacramento's administrative services officer II acknowledged that the county charged unallowable

[2] See Appendix B for detailed criteria related to each finding.

travel costs to the PHEP grant. Effective July 1, 2023, the county began using the GSA per diem rates, which are higher than the CalHR rates, in its travel management system, Concur. The county processed some meal reimbursements using the new GSA rates. The county noted that these procedural changes and system configuration caused certain reimbursements to not fully comply with the CalHR meal rate requirements.

Insufficient review of invoices increases the risk that travel claims exceed allowable reimbursement rates and that program funds are used for unallowable purposes, reducing the resources available for eligible preparedness activities.

Recommendations[3]

- Sacramento should return the $433.00 in unallowable travel reimbursements to CPR.
- Strengthen internal processes to confirm that all travel expenses submitted for reimbursement comply with CalHR and PHEP grant guidelines.
- Implement and utilize the additional review process to ensure that travel expenses charged to the grant comply with applicable laws, regulations, grant agreement requirements, and CDPH funding guidance.

[3] Uniform Guidance §75.303(d) requires non-Federal entities to take prompt action when instances of noncompliance are identified, including noncompliance identified in audit findings.

Audit Results - HPP

HPP Finding #1 – Sacramento County Overcharged HPP for Personnel and Associated Indirect Costs

Condition

Sacramento submitted invoices to CPR for personnel and associated indirect costs. The county exceeded its actual costs by $622.06 based on records showing the actual hours worked for the HPP program.

In May 2024, the county submitted an invoice that included personnel costs for a health program coordinator's work on the HPP grant. The supporting documents included a time study indicating that the program coordinator worked 98.0952% of her time to HPP, resulting in a total salary cost of $24,597.42 and fringe benefits of $9,869.67. However, the county mistakenly invoiced CPR for $24,991.58 in salary and $10,026.47 in fringe benefits, resulting in an overcharge of $550.96.

This overcharge also affected indirect costs. As shown in the table shows, indirect costs increased by $71.10, bringing the total unallowable HPP charges to $622.06, which should be refunded to CPR.

Sacramento County - HPP Personnel and Indirect Cost - Fiscal Year 2023-24			
1st Invoice			*CPR paid 07/09/2024*
Salary - Health Program Coordinator	**Amount CPR Paid**	**Billable Amount**	**Amount Overcharged**
Salary	$ 24,991.58	$ 24,597.42	$ 394.16
Fringe	$ 10,026.47	$ 9,869.67	$ 156.80
Indirect Cost (12.905%)	$ 4,519.08	$ 4,447.98	$ 71.10
Subtotal:	$ 39,537.13	$ 38,915.07	$ 622.06
		Total amount of overpayment to be returned to CPR:	**$ 622.06**

Source: Invoices Ventura submitted to CPR

Criteria

- Uniform Guidance §75.430(i)(1) requires personnel costs be based on records that accurately reflect work performed. If an employee works on a federal award such as HPP as well as other activities using different funding sources, records should support the distribution of the employee's wages among these separate activities.
- Uniform Guidance §75.2 defines improper payments to include an incorrect amount or overpayments.
- Uniform Guidance §75.410 requires that unallowable costs must be refunded.

Cause/Consequence

Sacramento's administrative services officer agrees that the county overcharged the HPP grant for unsupported personnel costs and associated indirect costs. As part of the standard process for preparing and reviewing invoices to claim HPP costs, the accounting technician runs labor reports and prepares a salary worksheet to invoice the grant for personnel costs. The accounting technician entered incorrect program information into the salary worksheet due to an inaccurate labor report. All future reviews conducted rely on the initial data entered, thus the error was not detected during multiple levels of review.

As a result of this invoicing error, Sacramento received $622.06 in unallowable HPP grant reimbursements for SFY 2023-24. Overcharging the grant for unsupported personnel costs and fringe benefits results in less funding being available for other grant activities.

Recommendations

- Sacramento should return $622.06 to CPR to repay the unallowable personnel costs and associated indirect costs.
- Improve processes to better ensure invoices for personnel costs accurately reflect actual hours worked on the grant program.
- Strengthen the review process to help ensure invoices are accurate prior to submission for reimbursement.

Appendix A – Budget and Expenditure Schedules[4]

Schedule 1 – PHEP Base Summary of Audited Expenditures
SFY 2023-24

Budget Category	Audit Finding Number	As Reported	Audit Adjustments	As Audited
Personnel (Salary)	PHEP Finding 1	$ 370,952.38	-	$ 370,952.38
Fringe Benefits		158,412.65	-	158,412.65
Operating Expenses		75,300.25	-	75,300.25
Equipment		-	-	-
Travel		20,412.16	$ (433.00)	19,979.16
Subcontracts		-	-	-
Other Costs		92,799.84	-	92,799.84
Total Direct Costs		**717,877.28**	**(433.00)**	**717,444.28**
Indirect Costs		50,031.63	-	50,031.63
GRAND TOTAL		**$ 767,908.91**	**$ (433.00)**	**$ 767,475.91**

Schedule 2 – PHEP Base Summary of Audited Expanded Authority Expenditures
(SFY 2022-23 Funds Expended in SFY 2023-24)

Budget Category	Audit Finding Number	As Reported	Audit Adjustments	As Audited
Personnel (Salary)	No audit findings resulting in financial recovery	-	-	-
Fringe Benefits		$ 60,085.40	-	60,085.40
Operating Expenses		-	-	-
Equipment		-	-	-
Travel		-	-	-
Subcontracts		-	-	-
Other Costs		-	-	-
Total Direct Costs		**60,085.40**	**-**	**60,085.40**
Indirect Costs		4,126.72	-	4,126.72
GRAND TOTAL		**$ 64,212.12**	**$ 0.00**	**$ 64,212.12**

[4] Schedules 1, 3, 4, 6, 7, 9, 10, and 12 include expanded authority funds; leftover, unexpended SFY 2022-23 funds the county was authorized to expend during SFY 2023-24. See Schedules 2, 5, 8, and 11 for the separate identification of expanded authority funds.

Schedule 3 – PHEP Base Summary of Authorized and Reported Expenditures
SFY 2023-24

Budget Category	Budget	Reported Expenditures	Total Unexpended Funds
Personnel (Salary)	$ 463,327.71	$ 370,952.38	$ 92,375.33
Fringe Benefits	216,665.94	158,412.65	58,253.29
Operating Expenses	490,488.64	75,300.25	415,188.39
Equipment	-	-	-
Travel	38,539.65	20,412.16	18,127.49
Subcontracts	117,822.00	0.00	117,822.00
Other Costs	125,954.00	92,799.84	33,154.16
Total Direct Costs	**1,452,797.94**	**717,877.28**	**734,920.66**
Indirect Costs	87,719.18	50,031.63	37,687.55
GRAND TOTAL	**$ 1,540,517.12**	**$ 767,908.91**	**$ 772,608.21**

Schedule 4 – PHEP CRI Summary of Audited Expenditures
SFY 2023-24

Budget Category	Audit Finding Number	As Reported	Audit Adjustments	As Audited
Personnel (Salary)	No audit findings resulting in financial recovery	$ 201,093.56	-	$ 201,093.56
Fringe Benefits		86,797.42	-	86,797.42
Operating Expenses		55,178.28	-	55,178.28
Equipment		-	-	-
Travel		584.95	-	584.95
Subcontracts		-	-	-
Other Costs		-	-	-
Total Direct Costs		**343,654.21**	-	**343,654.21**
Indirect Costs		34,584.81	-	34,584.81
GRAND TOTAL		**$ 378,239.02**	**$ 0.00**	**$ 378,239.02**

Schedule 5 – PHEP CRI Summary of Audited Expanded Authority Expenditures
(SFY 2022-23 Funds Expended in SFY 2023-24)

Budget Category	Audit Finding Number	As Reported	Audit Adjustments	As Audited
Personnel (Salary)	No audit findings resulting in financial recovery	$ 55,290.22	-	$55,290.22
Fringe Benefits		24,102.99	-	24,102.99
Operating Expenses		1.62	-	1.62
Equipment		-	-	-
Travel		-	-	-
Subcontracts		-	-	-
Other Costs		-	-	-
Total Direct Costs		**79,394.83**	**-**	**79,394.83**
Indirect Costs		3,067.63	-	3,067.63
GRAND TOTAL		**$ 82,462.46**	**$ 0.00**	**$ 82,462.46**

Schedule 6 – PHEP CRI Summary of Authorized and Reported Expenditures
SFY 2023-24

Budget Category	Budget	Reported Expenditures	Total Unexpended Funds
Personnel (Salary)	$ 216,669.16	$ 201,093.56	$ 15,575.60
Fringe Benefits	96,208.98	86,797.42	9,411.56
Operating Expenses	126,305.04	55,178.28	71,126.76
Equipment	-	-	-
Travel	4,000.00	584.95	3,415.05
Subcontracts	-	-	-
Other Costs	20,285.00	0.00	20,285.00
Total Direct Costs	**463,468.18**	**343,654.21**	**119,813.97**
Indirect Costs	40,361.28	34,584.81	5,776.47
GRAND TOTAL	**$ 503,829.46**	**$ 378,239.02**	**$ 125,590.44**

Schedule 7 – PHEP LAB Summary of Audited Expenditures
SFY 2023-24

Budget Category	Audit Finding Number	As Reported	Audit Adjustments	As Audited
Personnel (Salary)	No audit findings resulting in financial recovery	$ 172,168.61	-	$ 172,168.61
Fringe Benefits		76,928.92	-	76,928.92
Operating Expenses		2,525.80	-	2,525.80
Equipment		-	-	-
Travel		-	-	-
Subcontracts		-	-	-
Other Costs		-	-	-
Total Direct Costs		**251,623.33**	-	**251,623.33**
Indirect Costs		-	-	-
GRAND TOTAL		**$ 251,623.33**	**$ 0.00**	**$ 251,623.33**

Schedule 8 – PHEP LAB Summary of Audited Expanded Authority Expenditures
(SFY 2022-23 Funds Expended in SFY 2023-24)

Budget Category	Audit Finding Number	As Reported	Audit Adjustments	As Audited
Personnel (Salary)	No audit findings resulting in financial recovery	$ 65,499.61	-	$ 65,499.61
Fringe Benefits		18,549.38	-	18,549.38
Operating Expenses		-	-	-
Equipment		-	-	-
Travel		-	-	-
Subcontracts		-	-	-
Other Costs		-	-	-
Total Direct Costs		**84,048.99**	**-**	**84,048.99**
Indirect Costs		-	-	-
GRAND TOTAL		**$ 84,048.99**	**$ 0.00**	**$ 84,048.99**

Schedule 9 – PHEP LAB Summary of Authorized and Reported Expenditures
SFY 2023-24

Budget Category	Budget	Reported Expenditures	Total Unexpended Funds
Personnel (Salary)	$ 172,168.61	$ 172,168.61	$ 0.00
Fringe Benefits	77,148.12	76,928.92	219.20
Operating Expenses	84,503.41	2,525.80	81,977.61
Equipment	-	-	-
Travel	-	-	-
Subcontracts	-	-	-
Other Costs	-	-	-
Total Direct Costs	**333,820.14**	**251,623.33**	**82,196.81**
Indirect Costs	32,161.86	0.00	32,161.86
GRAND TOTAL	**$ 365,982.00**	**$ 251,623.33**	**$ 114,358.67**

Schedule 10 – HPP Summary of Audited Expenditures
SFY 2023-24

Budget Category	Audit Finding Number	As Reported	Audit Adjustments	As Audited
Personnel	HPP Finding 1	$ 115,928.06	$ (394.16)	$ 115,533.90
Fringe Benefits	HPP Finding 1	48,509.98	(156.80)	48,353.18
Operating Expenses		23,800.61	-	23,800.61
Equipment		-	-	-
Travel		2,132.86	-	2,132.86
Subcontracts		8,000.00	-	8,000.00
Other Costs		136,701.33	-	136,701.33
Total Direct Costs		**335,072.84**	**(550.96)**	**334,521.88**
Indirect Costs	HPP Finding 1	21,220.73	(71.10)	21,149.63
GRAND TOTAL		**$ 356,293.57**	**$ (622.06)**	**$ 355,671.51**

Schedule 11 – HPP Summary of Audited Expanded Authority Expenditures (SFY 2022-23 Funds Expended in SFY 2023-24)

Budget Category	Audit Finding Number	As Reported	Audit Adjustments	As Audited
Personnel (Salary)	HPP Finding 1	$ 61,879.81	$ (394.16)	$ 61,485.65
Fringe Benefits	HPP Finding 1	26,395.66	(156.80)	26,238.86
Operating Expenses		19,140.68	-	19,140.68
Equipment		-	-	-
Travel		-	-	-
Subcontracts		-	-	-
Other Costs		50,053.21	-	50,053.21
Total Direct Costs		**157,469.36**	**(550.96)**	**156,918.40**
Indirect Costs	HPP Finding 1	11,391.95	(71.10)	11,320.85
GRAND TOTAL		**$ 168,861.31**	**$ (622.06)**	**$ 168,239.25**

Schedule 12 – HPP Summary of Authorized and Reported Expenditures SFY 2023-24

Budget Category	Budget	Reported Expenditures	Total Unexpended Funds
Personnel (Salary)	$ 145,076.72	$ 115,928.06	$ 29,148.66
Fringe Benefits	72,716.75	48,509.98	24,206.77
Operating Expenses	136,648.56	23,800.61	112,847.95
Equipment	-	-	-
Travel	3,500.00	2,132.86	1,367.14
Subcontracts	58,000.00	8,000.00	50,000.00
Other Costs	166,721.92	136,701.33	30,020.59
Total Direct Costs	**582,663.95**	**335,072.84**	**247,591.11**
Indirect Costs	28,095.36	21,220.73	6,874.63
GRAND TOTAL	**$ 610,759.31**	**$ 356,293.57**	**$ 254,465.74**

Appendix B – Guidance to Applicable Audit Findings

The tables below identify detailed criteria for each finding in this report.

PHEP Finding #1 – *Sacramento County's travel reimbursements exceeded allowable limits*	
Guidance Reference	**Text of Guidance**
Grant Agreement, Exhibit B – Budget Detail and Payment Provisions	6. *Travel and Per Diem Reimbursement*: Any reimbursement for necessary travel and per diem shall, unless otherwise specified in this Agreement, be at the rates currently in effect, as established by the California Department of Human Resources (CalHR). If the CalHR rates change during the term of the Agreement, the new rates shall apply upon their effective date and no amendment to this Agreement shall be necessary. No travel outside the State of California shall be reimbursed without prior authorization from the CDPH. Verbal authorization should be confirmed in writing. Written authorization may be in a form including fax or email confirmation.
CDPH Local Emergency Preparedness Budget Instructions	*Page 10: Travel Requirements and Caveats* 1) Travel reimbursements must meet the California Department of Human Resources' Travel Reimbursements requirements and should be noted in the Budget Justification of a travel item if applicable.

CalHR – Travel Reimbursements	*Meals and Incidental Rates:*
	• Breakfast: Up to $7 (Through 12/31/2023) // Up to $13 (On or after 01/01/2024)
	• Lunch: Up to $11 (Through 12/31/2023) // Up to $15 (On or after 01/01/2024)
	• Dinner: Up to $23 (Through 12/31/2023) // Up to $26 (On or after 01/01/2024)
	• Incidentals: Up to $5
	• Meal amounts must be deducted when such meals are provided to the traveler or included in a conference registration, etc. For meals provided, the traveler must deduct the meal cost from the applicable M&IE rate.

Uniform Guidance, §75.2 – Definitions	*Improper payment:* (1) Means any payment that should not have been made or that was made in an incorrect amount (including overpayments and underpayments) under statutory, contractual, administrative, or other legally applicable requirements; and (2) Includes any payment to an ineligible party, any payment for an ineligible good or service, any duplicate payment, any payment for a good or service not received (except for such payments where authorized by law), any payment that does not account for credit for applicable discounts, and any payment where insufficient or lack of documentation prevents a reviewer from discerning whether a payment was proper.
Uniform Guidance, §75.410 – Collection of Unallowable Costs	Payments made for costs determined to be unallowable by either the HHS awarding agency, cognizant agency for indirect costs, or pass-through entity, either as direct or indirect costs, must be refunded.

HPP Finding #1 - *Sacramento County overcharged personnel costs and related indirect costs*	
Guidance Reference	**Text of Guidance**
Uniform Guidance, §75.2 – Definitions	*Improper Payment*: (1) Means any payment that should not have been made or that was made in an incorrect amount (including overpayments and underpayments) under statutory, contractual, administrative, or other legally applicable requirements; and (2) Includes any payment to an ineligible party, any payment for an ineligible good or service, any duplicate payment, any payment for a good or service not received (except for such payments where authorized by law), any payment that does not account for credit for applicable discounts, and any payment where insufficient or lack of documentation prevents a reviewer from discerning whether a payment was proper.
Uniform Guidance, §75.430 – Compensation—Personal Services	Payments made for costs determined to be unallowable by either the HHS awarding agency, cognizant agency for indirect costs, or pass-through entity, either as direct or indirect costs, must be refunded (including interest) to the Federal Government in accordance with instructions from the Federal agency that determined the costs are unallowable unless Federal statute or regulation directs otherwise. See also subpart D of this part, §§ 75.300 through 75.309.
	(i) *Standards for documentation of personnel expenses*. (1) Charges to Federal awards for salaries and wages must be based on records that accurately reflect the work performed. These records must: (i) Be supported by a system of internal control which provides reasonable assurance that the charges are accurate, allowable, and properly allocated; (ii) Be incorporated into the official records of the non-Federal entity; (iii) Reasonably reflect the total activity for which the employee is compensated by the non-Federal entity, not exceeding 100% of compensated activities (for IHE, this per the IHE's definition of IBS); (iv) Encompass both federally assisted, and all other activities compensated by the non-Federal entity on an integrated basis, but may include the use of subsidiary records as defined in the non-Federal entity's written policy; (v) Comply with the established accounting policies and practices of the non-Federal entity (See paragraph (h)(1)(ii) of this section for treatment of incidental work for IHEs.); and (vi) [Reserved] (vii) Support the distribution of the employee's salary or wages among specific activities or cost objectives if the employee works on more than one Federal award; a Federal award and non-Federal award; an indirect cost activity and a direct cost activity; two or more indirect activities which are allocated using different allocation bases; or an unallowable activity and a direct or indirect cost activity. (viii) Budget estimates (i.e., estimates determined before the services are performed) alone do not qualify as support for charges to Federal awards but may be used for interim accounting purposes.

Appendix C – Sacramento's Response to the Audit

Department of Health Services
Timothy W. Lutz
Director

County of Sacramento

Divisions
Administration
Behavioral Health
Primary Health
Public Health

May 5, 2026

Connie Terrado
Grant Compliance Unit Chief
Office of Compliance
California Department of Public Health
Office: (916) 306-2264
connie.terrado@cdph.ca.gov

RE: CDPH - SFY 2023-24 PHEP and HPP Draft Audit Report for Sacramento County

Dear Connie Terrado,

Sacramento County Public Health (SCPH) agrees with the findings contained in the audit report and does not have any additional questions. An exit conference is not needed, and SCPH will work with CDPH Center for Preparedness and Response for the resolution of the audit findings.

Sincerely,

Olivia Kasirye MD

Olivia Kasirye, MD, MS
County Health Officer

cc:

Nolana Mymka, Program Manager, SCPH
Emily Duncan, Senior Health Program Coordinator, SCPH
Melissa Rix, Administrative Services Officer II, SCPH
Marlene Culpepper, Accounting Manager, SCPH
Mara Valdez, Senior Accountant, SCPH
Mohammed Aiyub, Accounting Technician, SCPH

Division of Public Health
Olivia Kasirye, MD, MS
Public Health Officer

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Promote • Prevent • Protect

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