

MARIPOSA COUNTY

Child Support Services • (866) 901-3212



RESOLUTION - ACTION REQUESTED 2016-37

MEETING: January 19, 2016

TO: The Board of Supervisors

FROM: Debbie Walton, Child Support Services Director

RE: Authorize Payment of the Department of Child Support Services Demand Letter by Fleet Services

RECOMMENDATION AND JUSTIFICATION:

Authorize Payment to the California Department of Child Support Services in Response to the CS 356 Audit Report Demand Letter From the Vehicle Replacement Fund.

In the course of a recent audit conducted in September 2015, conducted by State Department of Child Support Services (DCSS), the Mariposa Local Child Support Agency (LCSA) had a monetary finding of Unallowable Vehicle Replacement Expenses of \$25,941. During the period of July 2006 through December 2010, the LCSA paid and claimed monthly replacement automobile charges per the Mariposa County Vehicle Replacement Policy. The accumulated funds were put into the Vehicle Replacement fund for a future replacement vehicle purchase. Reserving funds for future use is an unallowable expense under Title 2 Code of Federal Regulations Part 225 (2 CFR 225) Appendix B, Item 9 Contingency provisions.

The DCSS has sent the LCSA an Audit Report Demand Letter requesting that the County return these accumulated vehicle replacement funds. The Department has confirmed with the Public Works Department that these funds are available and included in the Vehicle Replacement Fund. This payment will not have a negative affect on the Vehicle Replacement fund, as these funds were specifically designated for the purchase of a replacement LCSA vehicle.

In the future, vehicles purchased for use by the LCSA will not be charged for replacement/depreciation costs, only for actual maintenance, as stipulated by Federal Regulations. Public Works staff have been made aware of this requirement.

BACKGROUND AND HISTORY OF BOARD ACTIONS:

The Board was apprised of the audit finding when the first report was received in November of 2015.

On January 6, 2016, the Board adopted Resolution 16-8 approving a budget action transferring funding within the Child Support Services budget for the purchase of a replacement vehicle, since the accumulated reserve funds for the vehicle would need to be returned to DCSS. This vehicle had been included in the list of replacement

vehicles for this fiscal year that received Board approval.

ALTERNATIVES AND CONSEQUENCES OF NEGATIVE ACTION:

Do not authorize payment to DCSS. The LCSA will be out of compliance with the DCSS which could jeopardize future funding.

ATTACHMENTS:

MariposaDemandLetter (PDF)
356auditresponse111615 (PDF)

CAO RECOMMENDATION

Requested Action Recommended



Mary Hodson, CAO 1/13/2016

RESULT: ADOPTED BY CONSENT VOTE [UNANIMOUS]

MOVER: Marshall Long, District III Supervisor

SECONDER: Rosemarie Smallcombe, District I Supervisor

AYES: Smallcombe, Jones, Long, Cann, Carrier

CALIFORNIA DEPARTMENT OF CHILD SUPPORT SERVICES

P.O. Box 419064, Rancho Cordova, CA 95741-9064



January 5, 2016

Ms. Debbie Walton, Director
Mariposa County Department of Child Support Services
P.O. Box 748
Mariposa, California 95338

**SUBJECT: CS 356 AUDIT REPORT DEMAND LETTER - MARIPOSA COUNTY
DEPARTMENT OF CHILD SUPPORT SERVICES**

Dear Ms. Walton:

On December 10, 2015, the Department of Child Support Services Office of Audits and Compliance issued the final CS 356 Audit Report for state fiscal year (SFY) 2013-14 to the Mariposa County Department of Child Support Services. Below are the findings identified during the review.

Non-monetary findings:

Finding 2 - Non-compliance with Time Certification Requirements

For SFY 2013-14, the local child support agency (LCSA) did not maintain time certification forms for all employees.

The LCSA is reminded that all employees working solely on child support activities must prepare, sign, and date a semi-annual time certification.

Finding 3 - Lack of Contract Agreement

For SFY 2013-14, the LCSA did not have a written cooperative agreement or contract agreement to support monthly charges related to process service.

The LCSA is reminded that in the future, there must be a written cooperative agreement or contract approved by the LCSA director prior to claiming expenses for IV-D services.

Ms. Debbie Walton
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Monetary findings:

Finding 1 - Unallowable Vehicle Replacement Expenses - \$25,941

During the period of July 2006 through December 2010, the LCSA paid and claimed monthly replacement automobile charges per the Mariposa Vehicle Replacement Policy. The accumulated funds were put into a special reserve account, to be used for a future LCSA automobile purchase.

The LCSA is reminded that reserve funds are unallowable based on 2 CFR 225, Appendix B, Item 9 Contingency provisions.

A total of **\$25,941** is due to DCSS by February 5, 2016. The remitted amount must come from county general funds, not federal or state funds.

Please mail your payment to:

Department of Child Support Services
Accounting Services Branch
P.O. Box 419064 - MS 622
Rancho Cordova, California 95741-9064

Please be reminded that the Office of Audits and Compliance will follow up within six months of the release of the final audit report to ensure corrective action has been fully implemented.

If you have any questions or concerns regarding this matter, please contact Donna Kruger at (916) 464-5015.

Sincerely,



IRENE BRIGGS
Deputy Director
Administrative Services Division

Enclosure

cc: Alisha A. Griffin, Director, Department of Child Support Services
Mark Beckley, Chief Deputy Director, Department of Child Support Services
Karen Dailey, Audit Manager, Department of Child Support Services
Lesley Bell, Regional Administrator, Department of Child Support Services



STATE OF CALIFORNIA
DEPARTMENT OF CHILD SUPPORT SERVICES

5660

(916)464-2627 FAX (916)464-5213

INVOICE

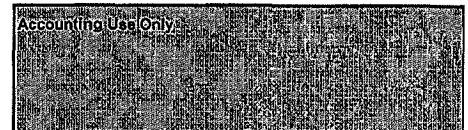
Name Mariposa County Dept of Child Support
 Svcs Address P.O. Box 748
 City/St Mariposa, CA Zip 95338
 Attention Ms. Debbie Walton, Director

Date 1/5/2016
 Ref _____
 Vendor No. _____

Qt	Description	Unit Price	Total
1	Final CS56 Review Report Finding FY 2013-14 FIRST NOTICE <u>Finding #1: \$25,941.00</u> <u>*This invoice must be paid from County Funds only.</u> <u>*Child Support Funds may not be used.</u> PAYABLE IN THIRTY (30) DAYS MAKE CHECK PAYABLE TO: DEPT OF CHILD SUPPORT SERVICES	\$25,941.00	\$25,941.00
Subtotal			\$25,941.00
TOTAL			\$25,941.00

Payment Details

- Cash
- Check
- Credit Card
- No Warrant Claim Schedule



Remit Payment to:
 DEPARTMENT OF CHILD SUPPORT SERVICES
 P.O. BOX 419064 RANCHO CORDOVA, CA95741-9064

QUESTIONS REGARDING THIS INVOICE SHOULD BE DIRECTED TO:
 Diana Clements at (916) 464-5284



COUNTY OF MARIPOSA
DEPARTMENT OF CHILD SUPPORT SERVICES

5632 Lemee Lane, PO Box 748, Mariposa, CA 95338 (209)742-0997 FAX (209) 966-3842

DEBRA A. WALTON
Director

FRANCIS W. MCNALLY
Child Support Attorney

November 16, 2015

Karen Dailey
Audit Manager, Office of Audits and Compliance
PO Box 419064
Rancho Cordova, CA 95741

SUBJECT: Mariposa County Department of Child Support Services Draft Audit Report

Dear Ms. Dailey:

I am in receipt of the draft report for the audit conducted by State DCSS on our department for state fiscal year 2013-2014. My responses to the findings are as follows.

Finding 1 –Unallowable Vehicle Replacement Expenses- \$25,941

Mariposa County Department of Child Support Services participated in the County Fleet program since the inception of the agency and was unaware that the replacement fund part of the program was an unallowable expense. We have had the same vehicle all this time and have not replaced one before. In recent months before the audit, this issue had come to my attention and I began checking with my DCSS regional Administrator and others to get answers. It wasn't until we were actually in the middle of the audit that all information became available to me and the audit team from Fleet Services. At that time I did understand that this would be a finding. Please know that this was done out of ignorance and a misunderstanding of the how Fleet worked with our department and the funds are still in the replacement account maintained by fleet. I have asked that since the Department is in need of a vehicle that we be allowed to use these funds for such, or if they are returned additional funds could be allocated to allow the purchase of a vehicle. This matter has been corrected, our department will not be paying into any vehicle replacement funds in the future.

Finding 2 -Non Compliance with Time Certification Requirement

This was an error on our part, we were unaware the Director had to complete time certification forms. This matter has been corrected; all employees are now preparing, signing and dating a semi-annual time certification indicating they work directly in the child support program.

Finding 3- Lack of Contract Agreement

At the beginning of the review period our Agency had a written cooperative agreement with ABC Legal (PFI), however in the middle of the review period ABC Legal terminated the agreement without notifying us. We were unaware of the lapse in the contract until the audit was performed. We did not suffer any adverse effects as the charges after termination were less than those in the contract.

However, to correct this we are in process of completing a new agreement for Process of Service with ABC Legal.

Mariposa County Department of Child Support Services, makes every effort to insure public funds are spent in appropriate ways and according to state and federal guidelines. Any errors on our part were unintentional. I hope we have resolved these issues satisfactorily for all and I appreciate the courtesy of you and your staff during this process.

Please contact me if you have further concerns.

Sincerely,

Debbie Walton
Director