



UNITED STATES DEPARTMENT OF AGRICULTURE  
OFFICE OF INSPECTOR GENERAL - AUDIT  
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FEB 25 2011

County of Stanislaus, California  
ATTN: Board of Supervisors  
Post Office Box 770  
Modesto, California 95353-0770

Subject: Fiscal Year 2009 Single Audit Desk Review – County of Stanislaus

Dear Board of Supervisors:

We have completed our desk review of the single audit performed by Brown Armstrong Accountancy Corporation which included Federal assistance programs administered by the County of Stanislaus, California, for the fiscal year ended June 30, 2009. We obtained the report from the Federal Audit Clearinghouse (FAC).

Our review was limited to an examination of the audit reporting package. We did not examine the related audit documentation to evaluate the adequacy of the audit work performed. In our opinion, the audit report did not meet Federal reporting requirements. As such, corrective action, as discussed below, is required:

**Issue 1:** *The Report on Internal Control Over Financial Reporting and On Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards* stated that there were no instances of noncompliance, yet goes on to state that noncompliance is described in the accompanying schedule of findings and questioned costs.

**Recommendation 1:** The audit firm needs to revise and reissue the *Report on Internal Control Over Financial Reporting and On Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards* so that it correctly reflects the results of the audit. In addition, the corrected report needs to be submitted to the FAC.

**Issue 2:** *The Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with Office of Management and Budget (OMB) Circular A-133* did not identify any material weakness or note that there were no material weaknesses, as required by AU 801.31(h) and as explained in the *American Institute of Certified Public Accountants Audit Guide: Government Auditing Standards and Circular A-133 Audits*, dated August 1, 2008, paragraph 12.23(r).

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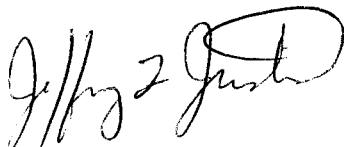
**Recommendation 2:** The audit firm needs to revise and reissue the *Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133* so that it includes the required statement regarding whether there were any material weaknesses in internal control over compliance. In addition, the corrected report needs to be submitted to the FAC.

Your auditors have spoken with us and have agreed to correct the reporting errors and submit corrected audit reports. However, as of February 14, 2011, the corrected audit reports have not been accepted by the FAC.

Instruction for submitting a revised report to the FAC may be found at [http://harvester.census.gov/fac/collect08/main\\_instruct.pdf](http://harvester.census.gov/fac/collect08/main_instruct.pdf) page 52. Once the reports have been revised and resubmitted to the FAC, please notify Marbie Baugh, via the e-mail address in the following paragraph.

A copy of this report is being provided to the auditor who conducted this audit and to each Federal funding agency that was identified on the Schedule of Expenditures of Federal Awards to make them aware of the results of our review. The auditor's opinion on the financial statements was unqualified and there were no findings relating to the financial statements. The audit contained two findings, which were significant deficiencies, related to Federal awards made by the U.S. Department of Health and Human Services, which resulted in qualified opinions for programs 93.659 and 93.658. If you any questions regarding this letter, please contact Marbie Baugh, National Single Audit Coordinator for the U.S. Department of Agriculture, at (404)730-3763, or via email at [marbie.baugh@oig.usda.gov](mailto:marbie.baugh@oig.usda.gov).

Sincerely,



JEFFREY L. JUSTIS  
Acting Regional Inspector General  
for Audit

cc:

Brown Armstrong Accountancy Corporation, ATTN: Eric Xin, Principal  
U.S. Department of Health and Human Services, ATTN: National Single Audit Coordinator  
U.S. Department of Homeland Security, ATTN: National Single Audit Coordinator  
U.S. Department of Housing and Urban Development, ATTN: National Single Audit  
Coordinator  
U.S. Department of Labor, ATTN: National Single Audit Coordinator  
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