

THE REGENTS OF THE UNIVERSITY OF CALIFORNIA
OFFICE OF ETHICS, COMPLIANCE AND AUDIT SERVICES



1111 Franklin Street, 5th Floor • Oakland, California 94607-5200 • (510) 987-0479 • FAX (510) 287-3334

Alexander Bustamante
SENIOR VICE PRESIDENT
CHIEF COMPLIANCE AND AUDIT OFFICER

September 13, 2018

CONTROLLER MCGUIRE

RE: Final Report Project No. P18A011: University of California Cooperative Extension Stanislaus County Review

Attached is a copy of the final report for: Audit Services Project No. P18A011 University of California Cooperative Extension Stanislaus County Review. With the issuance of this final report, please destroy any previous draft versions. We very much appreciate the assistance provided to us by you and members of your staff during our review. If you should have any questions please feel free to contact me at 510-987-9646 (email: matthew.hicks@ucop.edu).

A handwritten signature in black ink, appearing to read "Matt Hicks".

Matt Hicks
Systemwide Deputy Audit Officer

Attachment

cc: Senior Vice President Bustamante
Director Ginsburg
Director Duncan
Director McDougald
Systemwide Audit Manager Cataldo
Supervisor Westbrook
Lead Analyst Hamasaki
Contractor Weiss
Contractor Geib

UNIVERSITY OF CALIFORNIA
ETHICS, COMPLIANCE AND AUDIT SERVICES
OFFICE OF THE PRESIDENT
INTERNAL AUDIT SERVICES

University of California Cooperative Extension Stanislaus County Review
Audit No. P18A011
June 2018

Audit Conducted by:
Jeffrey Weiss, Contractor
Kristin Geib, Contractor

Executive Summary

Introduction

As part of the University of California Office of the President (UCOP) 2017 – 2018 fiscal year audit plan, Internal Audit performed a review of the design of internal controls around the University of California Cooperative Extension (UCCE) Stanislaus County expenditures process after out-of-policy expenditures by a former Principal Investigator (PI) were reported.

The UCCE Office in Stanislaus County provides UC researchers and educators an opportunity to bring science-based solutions to locally-relevant economic, agricultural, natural resource, youth development and nutrition issues. The UCCE office is part of a statewide system of off-campus education partnerships between the County Board of Supervisors, the University of California, and the U.S. Department of Agriculture. Led by the current County Director since January 2017, the UCCE office in Stanislaus County delivers programs through various funding sources including, but not limited to, the federally funded USDA CalFresh Nutrition Education Program and the Agriculture and Natural Resources (ANR) Division within the University of California.

Background

UCCE expenditures incurred are submitted, then reviewed and approved by the County Director or designee for appropriateness against program funding guidelines. They are then submitted to the BOC Kearney (BOC-K). The BOC-K processor, as a delegate of the Account Manager, reviews expenditures as submitted by the County Director to ensure that proper authorization is provided. The BOC-K also verifies compliance with CalFresh requirements, ensures a) supporting documentation is accurate b) funding availability, and c) appropriateness of business purpose. For County-based CalFresh accounts, including Stanislaus, the BOC-K Account Manager performs a monthly on-line ledger review of financial transactions. In addition, expenditures for UC CalFresh Nutrition Education Program funds are reviewed by the UC CalFresh Statewide Office to verify compliance with USDA requirements.

The UC CalFresh Statewide Office periodically performs a review of the UC CalFresh Program expenditure general ledger accounts. This review ensures that: 1) adequate documentation is retained to support each expenditure, 2) expenditures are appropriately authorized, and 3) expenditures are allowable per UC CalFresh Program directives. The UC CalFresh Program Director reviews the ledger on a monthly basis and focuses on larger expenditures (i.e., over \$100) and unusual expenditures that are not in line with normal spending habits in order to ensure they are valid expenses and are appropriate in accordance with UC CalFresh Program directives.

Objectives and Scope

The primary objectives of the audit were to:

- Assess whether duties within the UCCE Stanislaus County Office are appropriately segregated around expenditure authorization and whether compensating controls exist to mitigate potential conflicts.
- Identify opportunities within the BOC-K to strengthen internal controls around expenditure processing.
- Validate control improvements implemented by the UC CalFresh Statewide Office to monitor UCCE Stanislaus County Office expenditures and identify any opportunities for improvement.

The audit scope included UCCE Stanislaus County Office expenditures charged to UC CalFresh Program Accounts (account numbers L-450FS14, L-450FS15, L-450FS16, L-450CF16, L-450FS17, L-450CF17, and L-450FS18), Stanislaus County-related accounts on chart L, and PI expenditures submitted for reimbursement during 2016 and 2017.

The audit scope did not include and was not intended to advise on:

- Appropriateness of expenditures and overall compliance with University policy.
- Any programmatic expenditure issues for programs operated by the Stanislaus County Office
- Operating effectiveness of internal controls within the UCCE Stanislaus County Office, BOC-K, or UC CalFresh Statewide Office.

Procedures Performed

To accomplish the project objectives and scope as documented above, Internal Audit performed the following procedures:

1. Conducted interviews with the UCCE Stanislaus County Director and Community Education Supervisor II to gain an understanding of internal controls around a) funding source appropriations and b) expenditure authorizations.
2. Conducted interviews with the BOC-K Director and Assistant Director to gain an understanding of current risks around PI expenditures and associated internal controls in place. In addition, reviewed current policies in place governing PI expenditures.
3. Conducted interviews with the UC CalFresh Statewide Office Program Director and UC CalFresh Analyst II to gain an understanding of controls implemented to address previously identified issues with the UCCE Stanislaus County appropriation of UC CalFresh funding source expenditures.
4. Documented internal controls identified within the UCCE Stanislaus County Office, BOC-K, and UC CalFresh Statewide Office within a risk and control matrix. For the BOC-K, evaluated the internal control environment for opportunities to strengthen the existing control environment.
5. Evaluated activities within the UCCE Stanislaus County Office around funding source appropriations and expenditure authorizations for potential segregation of duties conflicts. For conflicts identified, determined if current internal controls in place appropriately mitigate the conflict or if opportunities exist to strengthen the internal control environment.

Conclusion

Based on the audit steps performed, we noted internal controls exist within the UCCE Stanislaus County Office, BOC-K, and UC CalFresh Statewide Office around authorization, processing, and monitoring of UCCE expenditures in accordance with funding program guidelines. Refer to **Appendix A** for a summary of key controls identified in the audit. Specifically, Internal Audit noted:

- At the UCCE Stanislaus County Office, the process for authorizing expenditures and allocating program funds is designed to promote segregation of duties. Specifically, the Community Education Supervisor II is required to review and approve all purchasing card expenditures of the Program Staff. The County Director is responsible for reviewing and approving expenditures of the Community Education Supervisor II, as well as final approval for CalFresh staff expenditures and Program Advisors/Pis.

Due to an absence of a local immediate higher level approval authority, it is UC ANR Policy that the County Director is not allowed to have a purchasing card, all travel and out-of-pocket expenses of the County Director must be approved by the Vice Provost or BOC-K Director / Assistant Director (permissible for out-of-pocket expenses only).

- At the UC CalFresh Statewide Office, controls appear to be designed effectively to monitor expenditures charged to UC CalFresh funding accounts. Monitoring activities include an independent review of expenditures to verify 1) appropriateness in accordance with UC funding directives, 2) authorization, and 3) documentation exists to support the expense amount.

Internal Audit noted opportunities for improvement within the BOC-K to a) strengthen documentation around policies for expenditure approval authority and b) enhance procedural documentation around review of expenditures. Additionally, Internal Audit identified opportunities at the BOC-K and UC CalFresh Statewide Office to enhance the tracking of expenditure exceptions identified as part of their monitoring activities in order to analyze trends and strengthen overall adherence to program guidelines. Actions developed by the BOC-K will strengthen internal controls and increase effectiveness of operations around expenditure processing.

Opportunities for Improvement and Action Plans

1. Document Appropriate Designees to Approve County Expenditures on Behalf of County Director

The BOC-K is responsible for validating whether county office expenditures are appropriately authorized in accordance with an authority matrix, however, the matrix does not include guidance on authorized delegates designated by the County Director (CD). Currently, UC Systemwide Policy dictates that authority to approve expenditures lies with the Department Head and County Directors; which also have the authority to appoint acting CDs to serve in a short-term capacity in the absence of the County Director. When delegate appointments are made by a County Director, the CD communicates the appointed delegate to the Vice Provost, Associate VP, BOC-K Assistant Director, and BOC-K staff; however delegates and temporary assignments are not formally documented. As a result, expenditures may not be appropriately approved by authorized personnel and / or approved by personnel with sufficient level of authority.

Action Plan:

The BOC-K Director and Assistant Director will develop an additional matrix to reflect those individuals who are to serve as acting Counting Directors (CD) as authorized by the CD. These acting CDs are authorized to approve county expenditures on behalf of the County Directors during their short term absences. The matrix for acting CDs will be available on the BOC-K Internal Collaboration Tools Site so that it is available for BOC-K employees to reference as they review county expenditures to ensure they are appropriately authorized. Plans are underway with the UC ANR Controller and the BOC-K to develop a fiscal-management training tool that will be required for all CDs and acting CDs.

Target Date: October 31, 2018

2. Centralize Documented Procedures for Reviewing UCCE Expenditures

The BOC-K maintains policies, procedures, and staff guidance within various document repositories, however this documentation is not retained in a centralized location that is readily

accessible by BOC-K staff. Currently, a Collaborative Tools site, staff meeting discussions, and internal documents are used by the BOC-K as repositories for best practices. Additionally, BOC-K financial services staff receive e-mail notifications from UC Davis Accounting and Financial Services regarding changes in business practices and these changes are discussed during internal staff meetings. Lastly, training materials are published and distributed to BOC-K staff during facilitated trainings to support best practices for processing financial transactions. Despite the resources available, without a centralized location to retain documentation for BOC-K staff, there is an increased risk review procedures performed by BOC-K staff may be inconsistent, leading to inefficiencies, and/or overlooked expenditures that may not adhere to UC funding directives and/or policy.

Action Plan:

The BOC-K Financial Services Supervisor will be responsible for reviewing and updating the existing procedures documenting review of purchase card, travel, purchase orders, and check request expenditures received from the UCCE county offices. The Assistant Director will provide training on the new procedures to be implemented (i.e., during the periodic staff meetings). The updated procedures will be printed and saved in a binder and be made available on the BOC-K Internal Collaboration Tools Site that all BOC-K employees can access as needed. The Financial Services Supervisor will be responsible for reviewing and updating the procedures annually, or in the event major process changes occur.

Target Date: October 31, 2018

Additional Recommendations

Internal Audit recommends management consider the following additional improvement opportunity to better align with leading operational practices.

1. Formal Tracking of Issues Identified During Expenditure Review

We recommend the UC CalFresh Statewide Office and BOC-K formally track all issues and policy exceptions identified during their review of County expenditures. Through discussions with the UC CalFresh Statewide Office and BOC-K, common issues identified during review of county expenditures are discussed informally in team meetings to identify training needs for specific individuals or expense types. Implementation of expenditure issue tracking by the UC CalFresh Statewide Office and BOC-K will enable trending of issues over time as well as inform policy improvements, training opportunities, and process enhancements.

Action Plan:

The Confirming Order Form is required for all transactions and expenditures which do not comply with UC Policy. This form originates in the County Office, is approved by the County Director, routed to the BOC-K Assistant Director, and is ultimately reviewed and approved by UC ANR Controller. Now being tracked electronically in Perfect Forms, there is a formal tracking of each exception on a dashboard.

Target Date: Completed prior to issuance of report.

Appendix A – UCCE Expenditure Process Risk and Internal Control Matrix

Item #	Area / Process	Risk #	Risk and Impact	Control #	Control Language	Control Frequency	Preventative / Monitoring / Detective	Manual / System	Does The Control Exist? (As of March 2018)
1	Stanislaus County Expenditure Approval	R1 R2 R4	Expenditures may not be appropriately authorized. Expenditures may not be reimbursable in accordance with the funding directives. Expenditures may not be allocated to the correct expense account.	C1	Stanislaus County Expenditure Review & Approval (Non-Travel) All employee expenditures for Stanislaus County are reviewed and approved by the County Director or designee (i.e., Community Education Supervisor II). The County Director in Stanislaus County has delegated authority to Community Education Supervisor II to approve staff purchasing card expenditures. The County Director must approve any expenditures of the Community Education Supervisor II and Principal Investigators (PIs). The individual submits the expense reimbursement form and supporting documentation (i.e., receipts) to the County Director or designee. The County Director or designee reviews each expense to ensure the following: (1) the expense is appropriate for reimbursement and is allowable per the funding guidance, (2) there is a valid business reason to incur the expense, (3) the cost is reasonable for the good or service purchased (e.g., reviewer ensures food purchased is appropriate for program class size), (4) the expense is supported by receipts, and (5) the correct expense account is designated on the expense reimbursement form. The County Director or designee signs off on the expense reimbursement form evidencing review and approval.	As Needed	Preventative	Manual	Yes
2	AggieTravel Expenditure Approval	R1 R2 R4	Expenditures may not be appropriately authorized. Expenditures may not be reimbursable in accordance with the funding directives. Expenditures may not be allocated to the correct expense account.	C2	Stanislaus County Expenditure Review & Approval (Travel) – Advisors and Staff Employees enter travel expenses and attach corresponding receipts into the AggieTravel system. Stanislaus County requires that all CalFres employees route their expense reports to the Community Education Supervisor II within AggieTravel for review. The Community Education Supervisor II reviews all staff employee expenses in AggieTravel to verify (1) there is valid business reason for the expenditure, (2) the expenditure is coded to the correct account, and (3) the expenditure is supported by a receipt, mileage log, etc. Upon review, the report is routed to the Account Manager at the BOC-K for review and approval. BOC-K verifies the same information, and also if funding is available in the specific account. After the BOC-K approval, the report routes to the County Director for department head review and approval.	As Needed	Preventative	Manual	Yes

Item #	Area / Process	Risk #	Risk and Impact	Control #	Control Language	Control Frequency	Preventative / Monitoring / Detective	Manual / System	Does The Control Exist? (As of March 2018)
3	AggieTravel Expenditure Approval	R1 R2 R4	Expenditures may not be appropriately authorized. Expenditures may not be reimbursable in accordance with the funding directives. Expenditures may not be allocated to the correct expense account.	C3	County Director Travel Expenditure Review and Approval County Director (CD) Travel Reports are completed by the CD, then routed to the BOC-K for review. Upon review at the BOC-K against supporting documentation, the Travel Reports are routed to the Vice Provost for review and approval. As of June 1, 2018, the Vice Provost is reviewing and approving all County Director travel.	As Needed	Preventative	Manual	Yes
4	BOC - K - Policies & Procedures	R3	Approved guidance may not be documented or may not exist to ensure that the entity is following appropriate procedures when reviewing and processing travel, supply, and equipment expenditures.	C4	BOC-K Expenditure Policies The BOC-K has documented polices in place which define the policy on allowable travel expenses and reimbursement for travel, guidance on ANR Program Support funds (including allocation of funds for each county, funding accounts, and expenditure approval responsibilities), guidance of allowable vs. non-allowable expenses for each program (e.g., CalFresh, ANR, 4-H, etc.), guidance on purchase card expenditures (including purchase card application process and requirements, allowable vs. non-allowable use of purchase cards, and BOC-K review of purchase card transactions), guidance on allowable vs. non-allowable supplies and equipment purchases, matrix for allowable methods for purchasing various types of expenditures, and the UC Policy dictating types of non-allowable expenditures. ListServes are also a reference material.	Pervasive	Preventative	System	Yes

Item #	Area / Process	Risk #	Risk and Impact	Control #	Control Language	Control Frequency	Preventative / Monitoring / Detective	Manual / System	Does The Control Exist? (As of March 2018)
5	BOC - K Expenditure Processing	R1 R2 R4 R5	Expenditures may not be appropriately authorized. Expenditures may not be reimbursable in accordance with the funding directives. Expenditures may not be allocated to the correct expense account. Appropriate supporting documentation (e.g., receipts) may not be retained to support validity of expenditures, potentially causing UC to be non-compliant with requirements of funding agencies.	C5	<p>BOC-K County Purchase Card (P-Card) Expenditure Review</p> <p>The BOC-K Financial Services staff process purchase card (p-card) expenditures from the vendor into Kualii (UC g financial system). The Processor receives the expenditure support package from each of the counties via e-mail. The package includes the expenditure approval form, and supporting documentation (i.e., receipts). The Processor reviews each expenditure to ensure the following: (1) the County Director (or designee) approved the expenditure as evidenced via sign-off on the approval form, (2) sufficient business purpose for the expenditure was documented on the approval form, (3) the expense is reasonable based on the purpose of the account designated, and (4) the account associated with the purchase card is not in overdraft (as expenditures should not be made if there are not sufficient funds). The Processor will reach out to the County Director or individual authorizing the expenditure if there is missing information (e.g., receipt, valid business reason, etc.) and gather the missing information. The Processor scans the support package to the Kualii system and approves the expenditure within the system.</p> <p>All documentation within the BOC-K is retained per the UCOP retention schedule policy.</p>	As Needed	Detective	Manual	Yes

Item #	Area / Process	Risk #	Risk and Impact	Control #	Control Language	Control Frequency	Preventative / Monitoring / Detective	Manual / System	Does The Control Exist? (As of March 2018)
6	BOC - K Expenditure Processing	R5	Appropriate supporting documentation (e.g., receipts) may not be retained to support validity of expenditures, potentially causing UC to be non-compliant with requirements of funding agencies.	C6	Unsupported Purchase Card Expenditures Default Account In order to prevent purchase card expenses without adequate supporting documentation provided by the employee from being allocated to a funding account, the Kualii system automatically allocates expenses that have not been approved by the BOC-K after 60 days to a default account for the respective county. The Lead or Supervisor for the respective county is responsible for monitoring expenditures within the default accounts and following up with the employee to obtain appropriate supporting documentation. Upon receipt of adequate supporting documentation from the employee, the Lead or Supervisor manually allocates the expenditure to the appropriate funding source account within the Kualii system.	Pervasive	Preventative	System	Yes
7	BOC - K Expenditure Processing	R1 R2 R4 R5	Expenditures may not be appropriately authorized. Expenditures may not be reimbursable in accordance with the funding directives. Expenditures may not be allocated to the correct expense account. Appropriate supporting documentation (e.g., receipts) may not be retained to support validity of expenditures, potentially causing UC to be non-compliant with requirements of funding agencies.	C7	BOC-K County Check Request and Purchase Order Expenditure Review BOC-K receives a Purchase Order or check request form from the county. The Processor at BOC-K utilizes the Purchase Order or check request form to enter the expenditure detail into the Kualii system (i.e., amount, date, account number, etc.). The BOC-K Supervisor or Lead reviews the expenditure in the system against the supporting Purchase order or check request form to ensure the payment details were entered correctly into Kualii. Additionally, the Supervisor or Lead verifies to following; (1) the County Director (or designee) approved the expenditure as evidenced via sign-off on the Purchase Order or check request form, (2) sufficient business purpose for the expenditure was documented on the Purchase Order or check request form, (3) the expense is reasonable based on the purpose of the account designated, and (4) the account associated with the purchase card is not in overdraft (as expenditures should not be made if there are not sufficient funds). Upon review, the Supervisor or Lead approves the purchase order or check request form within the Kualii system.	As Needed	Preventative	Manual	Yes
8	AggieTravel Expenditure Approval	R2 R4 R5	Expenditures may not be reimbursable in accordance with the funding directives. Expenditures may not be allocated to the correct expense account. Appropriate supporting documentation (e.g., receipts) may not be retained to support validity of expenditures, potentially causing UC to be non-compliant with requirements of funding agencies.	C8	BOC-K Travel Expenditure Review Employees enter travel expenses and attach corresponding receipts into the AggieTravel system. The employee submits their expenses, which are then electronically routed to the BOC-K team for Account Manager review and approval. The BOC-K team reviews each expenditure to ensure the following: (1) the expense was accurately input into system (e.g., expense type, amount, date) based on the receipt provided, (2) the expense is in accordance with the travel expenditure policies, (3) the expense is charged to the appropriate account number, and (4) a valid business reason for the expense is documented within the business purpose field. The BOC-K team will return the report to the employee for correction if any issues are identified during the review. After reviewing the expenses, the BOC-K approves the expenditures in the AggieTravel system. The report is electronically routed to the County Director who reviews and approves the report. Finally, the report is routed to the UC Davis Travel Unit, and one final review of the report is completed. All along the multiple review process, if the report is not approved, it is returned to the originating traveler for corrective action.	As Needed	Preventative	Manual	Yes

Item #	Area / Process	Risk #	Risk and Impact	Control #	Control Language	Control Frequency	Preventative / Monitoring / Detective	Manual / System	Does The Control Exist? (As of March 2018)
9	UC CalFresh Office - Policies and Procedures	R3	Approved guidance may not be documented or may not exist to ensure that the entity is following appropriate procedures when reviewing and processing travel, supply, and equipment expenditures.	C9	UC CalFresh Expenditure Monitoring Policies and Procedures UC CalFresh has documented policies and procedures in place in order to define policy on travel expense reimbursement, appropriate use of purchase cards with UC CalFresh accounts, mileage reimbursement policy, USDA guidance on allowable expenses for SNAP-Ed programs, and allowable vs. non-allowable expenses for mural and garden projects. Additionally, the UC CalFresh Office has procedures formally documenting the monthly G/L expenditure account review process and triennial county review program.	Pervasive	Preventative	Manual	Yes
10	UC CalFresh Office - Expenditure Pre-Approval	R1 R2	Expenditures may not be appropriately authorized. Expenditures may not be reimbursable in accordance with the funding directives.	C10	UC CalFresh Office Expenditure Pre-Approval Certain types of expenditures related to garden and mural projects (i.e., stencils, knee pads, power washers, lumber, gravel, supply delivery costs) must be authorized by the UC CalFresh Program Director prior to purchasing. In the event that the county plans a garden or mural project utilizing UC CalFresh Program funds, the county submits an application and project budget (inclusive of items to be purchased for the project) to the UC CalFresh Office. The UC CalFresh Program Director reviews the application and budget to ensure that expenditures are allowable under UC CalFresh Program Directives and planned costs for the project are reasonable. The UC CalFresh Program Director approves the application as evidence via sign-off or e-mail communication from the UC CalFresh Office to the county.	As Needed	Preventative	Manual	Yes

Item #	Area / Process	Risk #	Risk and Impact	Control #	Control Language	Control Frequency	Preventative / Monitoring / Detective	Manual / System	Does The Control Exist? (As of March 2018)
11	UC CalFresh Office - Post Reimbursement Expenditure Monitoring	R1 R2	Expenditures may not be appropriately authorized. Expenditures may not be reimbursable in accordance with the funding directives.	C11	<p>UC CalFresh Office Monthly Stanislaus County G/L Expenditure Account Activity Review</p> <p>On a monthly basis, the UC CalFresh Office Administrative Assistant downloads the activity for all active Stanislaus County UC CalFresh Program expenditure general ledger accounts, which is inclusive of PI expenditure activity related to UC CalFresh programs. The Administrative Assistant reviews each expenditure and supporting documentation saved in the system (i.e., receipts, mileage logs, etc.). Specifically, the administrative assistant reviews to ensure: (1) expenses are appropriately authorized, (2) items purchased for specific program community events are appropriate based on the number of attendees and program curriculum, (3) expense amounts seem reasonable for the item/service purchased and are supported by receipts, (4) travel expenses (e.g., mileage reimbursement rate, lodging rates) are in line with UC CalFresh program directives, (5) expenditures split between multiple accounts are appropriately allocated, and (6) expenditures for theft sensitive equipment are coded to the appropriate sub-account for tracking purposes and were authorized in the county budget. The Administrative Assistant notates questionable expenses or expenses missing supporting documentation and discusses the items with the Analyst II. The Administrative Assistant and Analyst II follow-up with Stanislaus County as necessary for additional documentation or explanation regarding the questionable expense items. Unresolved items are escalated to the UC CalFresh Program Director. The UC CalFresh Program Director will assist in formally notifying the County of the questionable expenses via e-mail and requesting an explanation to resolve the item or reimbursement from the employee for inappropriate expenses.</p> <p>The BOC-K Account Manager for the County CalFresh accounts performs the monthly ledger review for the BOC-K.</p>	Monthly	Monitoring	Manual	Yes

Item #	Area / Process	Risk #	Risk and Impact	Control #	Control Language	Control Frequency	Preventative / Monitoring / Detective	Manual / System	Does The Control Exist? (As of March 2018)
12	UC CalFresh Office - Post Reimbursement Expenditure Monitoring	R2	Expenditures may not be reimbursable in accordance with the funding directives.	C12	<p>UC CalFresh Program Director Monthly Review of UC CalFresh Program Expenditures</p> <p>On a monthly basis, the UC CalFresh Program Director performs a review of county UC CalFresh program expenditures within the FIS system. The Program Director validates that expenditures for each fund were submitted by staff working on that specific fund. Additionally, the Program Director's review focuses on large expenditure items (i.e., expenditures over \$100) and expenditures that are unfamiliar or appear not to be in line with normal spending habits. The Program Director reviews expenses that are shared with other programs in order to ensure the portion of the expense allocated to UC CalFresh is proportional to the benefit the UC CalFresh program received from the expenditure. The Program Director also considers if there are expenditures related to the UC CalFresh Program they are aware of that are missing from the report. For large expenditure items (i.e., expenditures over \$100), the Program Director focuses on the following for each expenditure type: (1) materials and supplies are allocable to the UC CalFresh project, (2) equipment expenditures were allowable in accordance with the program budget and appropriate pre-approvals were retained, and (3) travel expenditures were related to travel that directly benefitted the UC CalFresh program and are in accordance with UC CalFresh travel reimbursement policies. The UC CalFresh Program Director electronically certifies within the FIS system that the review was completed.</p>	Monthly	Monitoring	Manual	Yes

Item #	Area / Process	Risk #	Risk and Impact	Control #	Control Language	Control Frequency	Preventative / Monitoring / Detective	Manual / System	Does The Control Exist? (As of March 2018)
13	UC CalFresh Office - County Program Review	R2 R3	Expenditures may not be reimbursable in accordance with the funding directives. Approved guidance may not be documented or may not exist to ensure that the entity is following appropriate procedures when reviewing and processing travel, supply, and equipment expenditures.	C13	<p>UC CalFresh Triennial County Program Review</p> <p>Once every three years, the UC CalFresh Office performs a program review of the Stanislaus County office. The program review includes review of: (1) travel documentation including travel expenses reports, receipts, mileage reports, (2) supplies and equipment purchase documentation including purchase card receipts, department purchase orders, invoices, and receipts for out of pocket expenses, copies of equipment inventory purchases with SNAP-Ed funds, and (4) policies and procedures related to travel, purchase cards, and purchases of equipment. The UC CalFresh Office reviews all expenditures to ensure they are budgeted, reasonable, necessary, and properly documented. Observations resulting from the review are documented in a memo prepared by the Program Director and Analyst II and are provided to the county.</p> <p>Additionally, on an annual basis, each UC CalFresh program is required to submit a written Annual Report to the UC CalFresh State Office. Each program is provided with a report template and is required to discuss the following areas in the report: (1) progress towards addressing the observations identified in the most recent triennial program review, (2) the county's accomplishments with UC CalFresh programs during the prior year, and (3) challenges or concerns the county experienced related to UC CalFresh programs. The UC CalFresh State Office reviews each report and meets with the county to provide guidance and assistance as needed.</p> <p>Note: The triennial program review also includes review and observation of the various program lessons hosted by the county. Through this process, the UC CalFresh Office is familiarized with the different programs offered by the county and is better able to monitor the appropriateness of expenditures through activities performed in Control 11 and Control 12 above.</p>	Triennially / Annually	Monitoring	Manual	Yes