

MONTGOMERY COUNTY MARYLAND

Report on Expenditures of Federal Awards



Fiscal Year 2013

July 1, 2012 - June 30, 2013
Rockville, Maryland

MONTGOMERY COUNTY MARYLAND

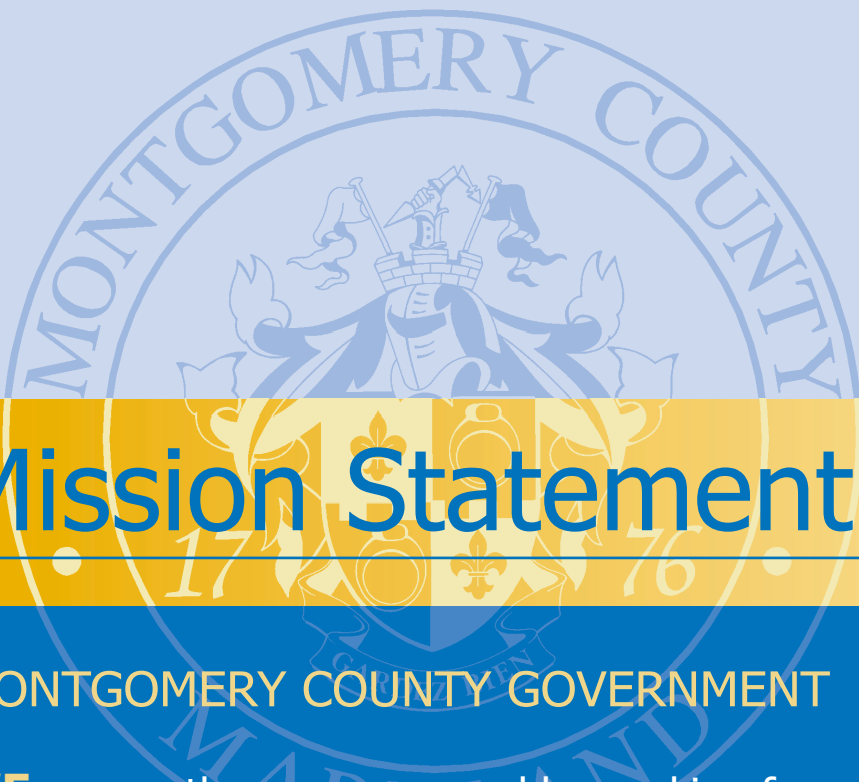
Report on Expenditures Of Federal Awards



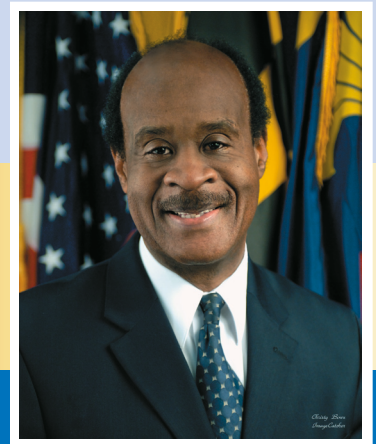
Prepared by the
DEPARTMENT OF FINANCE

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Fiscal Year 2013
July 1, 2012 - June 30, 2013



Mission Statement



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MONTGOMERY COUNTY GOVERNMENT

WE pursue the common good by working for and with Montgomery County's diverse community members to provide:

- A Responsive and Accountable County Government
- Affordable Housing in an Inclusive Community
- An Effective and Efficient Transportation Network
- Children Prepared to Live and Learn
- Healthy and Sustainable Communities
- Safe Streets and Secure Neighborhoods
- A Strong and Vibrant Economy
- Vital Living for All of Our Residents

AS dedicated public servants, the employees of the Montgomery County government strive to embody in our work these essential values:

- Collaboration
- Inclusiveness
- Knowledge
- Competence
- Innovation
- Respect for the Individual
- Fiscal Prudence
- Integrity
- Transparency

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Independent Auditors' 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*

The Honorable County Council
of Montgomery County, Maryland
Rockville, Maryland

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, the budgetary comparison of the General Fund, and the aggregate remaining fund information of Montgomery County, Maryland (the County), as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated December 20, 2013. Our report includes a reference to other auditors who audited the financial statements of the Montgomery County Revenue Authority and the Bethesda Urban Partnership, Inc. as described in our report on the County's financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported separately by those auditors. The financial statements of Bethesda Urban Partnership, Inc. were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".**CliftonLarsonAllen LLP**

Arlington, Virginia
December 20, 2013



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Independent Auditor's Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Federal Program and on Internal Control Over Compliance, and on the Schedule of Expenditures of Federal Awards in Accordance with OMB Circular A-133

The Honorable County Council
of Montgomery County, Maryland
Rockville, Maryland

Report on Compliance for Each Major Federal Program

We have audited Montgomery County, Maryland's (the County) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2013. The County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

The County's financial statements include the operations of the Montgomery County Public Schools, Montgomery Community College, Montgomery County Revenue Authority, Housing Opportunities Commission of Montgomery County and the Bethesda Urban Partnership for the year ended June 30, 2013, component units which may have received federal awards, and which are not included in the schedule of expenditures of federal awards for the year ended June 30, 2013. Our audit described below did not include the operations of these entities. We were separately engaged to perform and have separately reported on the results of our audits of the Montgomery County Public Schools, Housing Opportunities Commission of Montgomery County and Montgomery Community College, in accordance with OMB Circular A-133, if required.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the County's compliance.

Opinion on Each Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 2013-01 and 2013-02. Our opinion on each major federal program is not modified with respect to this matter.

The County's responses to the noncompliance findings are identified in our audit as described in the accompanying schedule of findings and questioned costs. The County's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

Report on Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items 2013-01 and 2013-02 that we consider to be significant deficiencies

The County's responses to the internal control over compliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The County's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the result of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

The financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, the budgetary comparison of the General Fund, and the aggregate remaining fund information of Montgomery County, Maryland (the County), as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated December 20, 2013, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The County's financial statements include the operations of the Montgomery County Public Schools, Montgomery Community College, Montgomery County Revenue Authority, Housing Opportunities Commission of Montgomery County and the Bethesda Urban Partnership for the year ended June 30, 2013. The federal expenditures, where applicable, for the Montgomery County Public Schools, Montgomery Community College and Housing Opportunities Commission of Montgomery County are not included in the schedule of expenditures of federal award. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.



CliftonLarsonAllen LLP

Arlington, Virginia
December 20, 2013

MONTGOMERY COUNTY, MARYLAND
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2013

Federal Grantor, Pass Through Grantor, Program or Cluster Title	Federal CFDA Number	Pass Through Entity Identifying Number	Federal Expenditures
U. S. Department of Agriculture			
Pass Through Programs From:			
Maryland State Department of Human Resources			
State Administrative Matching Grant for Food Stamps	10.561	Md. House Bill 669	\$ 4,759,174
Adoption Incentive Program	10.561	Md. House Bill 669	3,500
Programs of the Emergency Food Assistance Cluster:			
FY12 TEFAP SURPLUS FOOD	10.568	OGM/FNS-12-016	\$ 3,197
FY13 TEFAP SURPLUS FOOD	10.568	OGM/FNS-12-016	33,184
Emergency Food Assistance Program (Food Commodities)	10.569	Food Bank	1,371,492
Subtotal Emergency Food Assistance Cluster			<u>1,407,872</u>
Total U.S. Department of Agriculture			<u>6,170,546</u>
U.S. Department of Defense - Office of Economic Adjustment			
Direct Programs:			
Maryland Crossing Route 355	12.600	-	1,154,087
Base Realignment and Closure (BRAC)	12.607	-	<u>136,578</u>
Total U. S. Department of Defense			<u>1,290,665</u>
U. S. Department of Housing and Urban Development			
Direct Programs:			
Programs of the CDBG - Entitlement Grants Cluster:			
Community Development Block Grant (CDBG)	14.218	-	6,901,108
ARRA - CDBG Recovery Act	14.253	-	<u>157,133</u>
Subtotal CDBG - Entitlement Grants Cluster			7,058,241
Emergency Shelter Program	14.231	-	55,072
Emergency Shelter Program	14.231	-	88,729
HOME Investment Partnership	14.239	-	1,129,668
Balance of 06/30/2012 Outstanding Loans as of 06/30/2013	14.239	-	<u>30,543,770</u>
Subtotal Direct Programs			38,875,480
Pass Through Programs From:			
Maryland State Department of Health and Mental Hygiene			
Housing for People with AIDS (HOPWA)	14.241	AD658HOP	718,013
Subtotal Pass Through Programs			<u>718,013</u>
Total U. S. Department of Housing and Urban Development			<u>39,593,493</u>
U. S. Department of Justice			
Direct Programs:			
FY 2010 Forensic DNA Backlog Reduction Program	16.560	-	27,196
Enforcement of Protection Orders Program	16.590	-	421,567
Federal Bureau of Investigation (FBI) - Joint Terrorist Force	16.595	-	1,187
SCAAP - States Alien Assistance Program G.F.	16.606	-	678,019
COPS Universal Hiring Program	16.710	-	195,445
FY 2010 Justice Assistance Program	16.738	-	3,283
DNA Backlog Reduction	16.741	-	139,445
DNA Backlog Reduction	16.741	-	55,210
Gang Suppression/Prevention - Montgomery County	16.753	-	61,227
Work First, Train Concurrently	16.812	-	58,541
Subtotal Direct Programs			<u>1,641,120</u>
Pass Through Programs From:			
Governor's Office of Crime Control and Prevention			
Victims of Crime Assistance Program (VOCA)	16.575	VOCA-2011-1216	82,209
Victims of Crime Assistance Program (VOCA)	16.575	VOCA-2012-1316	218,754
Multicultural Intervention Project for Victims of Child Abuse	16.575	VOCA-2011-1253	50,054
Multicultural Intervention Project for Victims of Child Abuse	16.575	VOCA-2012-1353	191,898
S.T.O.P. Violence Against Women Act	16.588	VAWA-2011-1912	21,554
S.T.O.P. Violence Against Women Act	16.588	VAWA-2012-1012	56,681
Lethality Assessment Advocate	16.588	VAWA-2011-1611	12,218
Lethality Assessment Advocate	16.588	VAWA-2012-1711	14,803

MONTGOMERY COUNTY, MARYLAND
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2013
(Continued)

Federal Grantor, Pass Through Grantor, Program or Cluster Title	Federal CFDA Number	Pass Through Entity Identifying Number	Federal Expenditures
U. S. Department of Justice			
Pass Through Programs From:			
Governor's Office of Crime Control and Prevention (continued)			
Protective Order Enforcement	16.588	VAWA-2012-1819	\$ 40,105
Courtroom Technology Enhancements	16.738	BJAG-2009-1092	26,053
Prosecutor/Analyst - CSAFE Bridge Funding	16.738	BJAG-2010-1919	109,198
LETS FIPS Training	16.738	BJAG-2010-001	1,037
FY11 Paul Coverdell Forensic Sciences Improvement Grant	16.746	CFSI-2011-1202	14,506
ARRA - Backlog Reduction - DBRA	16.803	BJRA-2009-1086	14,000
ARRA - Crime Intelligence Analyst	16.803	BJRA-2009-1121	26,083
ARRA - FY 2009 Recovery Act Justice Assistance Grant Program	16.804	2009-SB-B9-0879	368,154
University of Maryland, College Park			
Bi County Gang Grant - Congressionally Selected	16.753	2010-DD-BX-0554	193,848
U.S. Marshall's Office			
Regional Fugitive Gang Task Force	16.595	FATF-10-0128	37,251
Subtotal Pass Through Programs			<u>1,478,406</u>
Total U. S. Department of Justice			<u>3,119,526</u>
U. S. Department of Labor			
Pass Through Programs From:			
State Department of Labor, Licensing and Regulation			
Programs of the Workforce Investment Act (WIA) Cluster:			
WIA - Adult Program	17.258	POOB2400134-A	\$ 96,546
WIA - Adult Program	17.258	POOB2400134-A	553,708
WIA - Adult Program	17.258	POOB3400016-A	66,874
WIA - Youth Programs	17.259	POOB2400005-B	142,366
WIA - Youth Programs	17.259	POOB3400016-B	627,176
Summer Youth Connection	17.259	POOP3400560	10,164
WIA Statewide	17.259	POOP3401457	4,216
Base Realignment and Closure (BRAC)	17.277	POOB2400143	238,277
WIA - Dislocated Workers	17.278	POOB24000134-C	131,337
WIA - Dislocated Workers	17.278	POOB2400072-C	720,830
Rapid Response - Early Intervention	17.278	POOB3400248	189,395
Subtotal Workforce Investment Act Cluster			<u>2,780,890</u>
RSA for Montgomery County One Stop Center	17.207	-	345,559
ARRA State Energy Sector Training Grant	17.275	POOB1400045	62,813
Total U. S. Department of Labor			<u>3,189,262</u>
U. S. Department of Transportation			
Pass Through Programs From:			
Metropolitan Washington Council of Governments (COG)			
FY13 COG Employer Outreach Program	20.505	09-007	207,297
Federal Transit Administration - Bikeshare Program	20.516	DC-37-X024-00	68,257
Maryland Transit Administration			
RideSharing/Commuter Assistance Grant	20.507	MD-95-0008	340,964
Total U. S. Department of Transportation			<u>616,518</u>
U. S. Department of the Treasury			
Direct Programs:			
Secret Service - Metro Area Task Force	21.000	-	2,000
Pass Through Programs From:			
Maryland Cash Campaign			
Volunteers Income Tax Assistance (VITA)	21.009	-	13,257
Total U. S. Department of the Treasury			<u>15,257</u>

MONTGOMERY COUNTY, MARYLAND
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2013
(Continued)

Federal Grantor, Pass Through Grantor, Program or Cluster Title	Federal CFDA Number	Pass Through Entity Identifying Number	Federal Expenditures
U.S Department of Energy			
Direct Programs:			
ARRA - EECBG Energy Efficiency and Conservation	81.128	-	\$ 1,907,986
Pass Through Programs From:			
Maryland Department of Housing and Community Development			
ARRA - Weatherization Assistance Grant	81.042	-	<u>52,515</u>
Total U. S. Department of Energy			<u>1,960,501</u>
U. S. Department of Education			
Pass Through Programs From:			
Maryland State Department of Education			
Programs of the Special Education Cluster:			
Infants and Families with Disabilities	84.027	124442-02	\$ 10,680
Infants and Families with Disabilities	84.027	135223	78,293
Infants and Families with Disabilities	84.027	125405	24,772
Infants and Families with Disabilities	84.027	134366-02	225,322
Infants and Families with Disabilities	84.027	134366-05	10,226
Infants and Families with Disabilities	84.173	134366-03	<u>9,000</u>
Subtotal Special Education Cluster			358,293
Programs of the Vocational Rehabilitation Cluster			
Summer Youth	84.126	125668	78,244
Programs of the Early Intervention Services (IDEA) Cluster:			
Infants and Families with Disabilities	84.181	134366-06	175,524
Infants and Families with Disabilities	84.181	124442-01	212,148
Infants and Families with Disabilities	84.181	125543	1,246
Infants and Families with Disabilities	84.181	135155	106,486
Infants and Families with Disabilities	84.181	134366-01	<u>939,884</u>
Subtotal Early Intervention Services (IDEA) Cluster			1,435,288
Maryland Family Network			
ARRA - Race to the Top - Early Learning Challenge Grant	84.410	-	<u>33,750</u>
Total U. S. Department of Education			<u>1,905,575</u>
U. S. Department of Health and Human Services			
Direct Programs:			
Head Start	93.600	-	4,616,659
Nursing Home Reimbursement	93.777	-	570,336
Targeted Health Funding - Maternal and Child Health	93.994	-	586,793
Subtotal Direct Programs			<u>5,773,788</u>
Pass Through Programs From:			
Maryland State Office on Aging			
Special Programs for the Aging - Ombudsman Services	93.042	AAA-3-24-015	74,300
Title III, Part D - Supportive Services and Senior Centers	93.043	AAA-3-24-015	35,566
National Family Care Giver Support	93.052	AAA-3-24-015	361,590
Maryland Access Point	93.517	ADP 13-02 - MAP	73,796
Money Follows the Person - Education and Application	93.791	M00B24000380-014	40,800
Programs of the Aging Cluster:			
Title III, Part B - Supportive Services and Senior Centers	93.044	AAA-3-24-015	705,605
Title III, Part C - Nutrition Services	93.045	AAA-3-24-015	1,452,984
SR Nutrition NSIP	93.053	ST-2505-014	<u>298,685</u>
Subtotal Aging Cluster			2,457,275
Community Transportation Association of America			
Inclusive Coordinated Transportation Partnership Program	93.048	90TC0001/01	700
Maryland Family Network			
Child Care Resource and Referral Grant	93.575	-	158,843

MONTGOMERY COUNTY, MARYLAND
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2013
(Continued)

Federal Grantor, Pass Through Grantor, Program or Cluster Title	Federal CFDA Number	Pass Through Entity Identifying Number	Federal Expenditures
U. S. Department of Health and Human Services (continued)			
Maryland State Office on Aging (continued)			
Programs of the Child Care and Development Block Cluster:			
Local Early Childhood Advisory Council	93.708	135124	\$ 5,958
National Association of County and City Health Officials (NACCHO)			
Centers for Disease Control and Prevention (CDCP)			
CDCP - Investigations and Technical Assistance	93.283	2010-092004	101,661
Maryland State Department of Human Resources			
State Systems Interoperability	93.075	Md. State HB 669	1,121,554
Title IV-E Guardianship	93.090	Md. State HB 669	1,328
Family Preservation	93.556	Md. State HB 669	10,272
Title IV-B PSSF Caseworker Visits	93.556	Md. State HB 669	125,507
Temporary Assistance for Needy Families	93.558	Md. State HB 669	4,619,965
Title IV-D - Child Support	93.563	Md. State HB 669	336,569
Child Support Enforcement	93.563	CSEA/CRA-12-043	173,957
Child Support Enforcement	93.563	CSEA/CRA-13-043	489,165
Refugees - (Cash, Medical and Administrative)	93.566	Md. State HB 669	225,042
Low Income Home Energy Assistance	93.568	Md. State HB 669	1,170,424
Programs of the Child Care and Development Block Cluster:			
Child Care Mandatory and Matching Funds of the CCDF	93.575	Md. State HB 669	\$ 952,249
Child Care and Development Fund (CCDF)	93.596	Md. State HB 669	<u>54,697</u>
Subtotal Child Care and Development Block Cluster			1,006,946
Family Kinship Connection	93.605	Md. State HB 669	38,605
Foster Care_ Title IV-E Administration	93.658	Md. State HB 669	2,414,937
Title IV-E - Adoption	93.659	Md. State HB 669	37,869
Pass Through Programs From:			
Maryland State Department of Human Resources			
Child Abuse and Neglect	93.669	Md. State HB 669	3,063
Programs of the Medicaid Cluster:			
Title XIX - Certification	93.778	Md. State HB 669	4,767,697
Title XIX - Health Related Services	93.778	Md. State HB 669	322,291
Senior Health Insurance Counseling	93.779	ST-2515-014	<u>64,092</u>
Subtotal Medicaid Cluster			5,154,080
Maryland State Department of Housing and Community Development			
Programs of the Community Services Block Grants (CSBG) Cluster:			
Community Services Block Grant	93.569	DCA/OCA-10-03-013	120,200
Community Services Block Grant	93.569	DCA/OCA-10-03-013	<u>347,365</u>
Subtotal Community Services Block Grants (CSBG) Cluster			467,565
Governor's Office of Crime Control and Prevention			
Protective Order Enforcement	93.563	VAWA-2011-1719	10,037
Georgetown University			
Microbiology Infectious Disease Research - HIV Positive Women	93.855	RX 4335-023 MC	61,947
Microbiology Infectious Disease Research - HIV Positive Women	93.856	RX 4335-023 MC	62,611
Prince George's County			
HIV Emergency Relief	93.914	-	645,906
HIV Emergency Relief	93.914	-	1,494,002
Johns Hopkins University			
Preparedness and Emergency Response	93.069	-	8,974
Maryland State Department of Health and Mental Hygiene			
Centers for Disease Control and Prevention (CDCP)			
Emergency Preparedness	93.069	CH 822 PHP	806,613
Preparedness and Emergency Response Learning Center	93.069	PRO40PHP	62,139
Tuberculosis Control	93.116	CH015TBF	383,801

MONTGOMERY COUNTY, MARYLAND
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2013
(Continued)

Federal Grantor, Pass Through Grantor, Program or Cluster Title	Federal CFDA Number	Pass Through Entity Identifying Number	Federal Expenditures
U. S. Department of Health and Human Services (continued)			
Maryland State Department of Health and Mental Hygiene (continued)			
PATH - Transition from Homelessness	93.150	MH1700TH	\$ 115,588
Reproductive Health/Family Planning	93.217	FH554FPG	148,822
Immunization Grants	93.268	CH354IMM	316,387
Breast and Cervical Cancer - Screening	93.744	FHC49BCC	10,067
State Children Insurance Program	93.767	MA286ACM	515,545
PWC Eligibility	93.778	MA286ACM	378,286
Programs of the Medicaid Cluster:			
Medical Assistance - Admin Care Coordination	93.767	MA020EPS	\$ 45,825
Medical Assistance - Admin Care Coordination	93.778	MA020EPS	317,250
Medical Assistance - Medicaid Transport	93.778	MA366GTS	1,189,431
Individual Support Services	93.778	MR446FIS	256,366
Service Coordination	93.778	MR006MRC	1,475,913
Medical Assistance Program	93.778	-	2,629,118
Subtotal Medicaid Cluster			5,913,903
HIV Care Formula	93.917	AD486RWS	993,935
CDC Breast & Cervical Cancer	93.919	FHC49BCC	690,421
HIV Partner Notification	93.940	AD632HPS	42,338
HIV Prevention - Partner Services	93.940	AD348PRV	65,108
HIV Prevention	93.940	AD348PRV	326,636
HIV Testing	93.940	AD675EHT	178,028
Community Mental Health Services	93.958	MH2340TH	569,787
Substance Abuse Prevention and Treatment	93.959	MU525ADP	342,671
Substance Abuse Prevention and Treatment	93.959	AS241FED	1,164,982
Maryland Million Hearts	93.991	FHC28MMH	121,417
Children with Special Needs	93.994	CH501CSN	74,236
Subtotal Pass Through Programs			<u>36,211,524</u>
Total U. S. Department of Health and Human Services			<u>41,985,313</u>
Corporation for National and Community Service			
Direct Programs:			
Retired and Senior Volunteer Program	94.002	-	57,843
MLK Day of Service	94.007	-	3,741
Pass Through Programs From:			
Governor's Office on Service and Volunteerism			
Maryland Volunteer Generation Fund	94.021	10 VGFMD 001	17,765
Total Corporation for National and Community Service			<u>79,350</u>
U. S. Department of Homeland Security			
Direct Programs:			
UASI Baltimore/NCR LINX Bonus Program	97.008	-	138,692
National Urban Search and Rescue Response System	97.025	-	607,177
National Urban Search and Rescue Response System	97.025	-	493,161
National Urban Search and Rescue Response System	97.025	-	64,723
National Urban Search and Rescue Response System - TS Isaac	97.025	-	23,062
National Urban Search and Rescue Response System - OK Tornado	97.025	-	18,279
National Urban Search and Rescue Response System - H Sandy	97.025	-	1,189,256
SAFER Grant	97.044	-	135,354
SAFER Grant	97.044	-	16,036
SAFER Grant	97.044	-	752,883
Subtotal Direct Programs			<u>3,438,623</u>

MONTGOMERY COUNTY, MARYLAND
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2013
(Continued)

Federal Grantor, Pass Through Grantor, Program or Cluster Title	Federal CFDA Number	Pass Through Entity Identifying Number	Federal Expenditures
Pass Through Programs From:			
District of Columbia - Homeland Security and Emergency Management Agency National Capital Area Region (NCR) Programs of the Homeland Security Cluster:			
FFY09 UASINcr Radio Cache Maintenance	97.067	9UASI541-01	
FFY11 UASIRADIO CACHE MAINT	97.067	11UASI541-01	\$ 19,633
FFY12 UASIRADIO CACHE MAINT	97.067	12UASI541-01	17,987
FFY10 UASIE&T Continuation	97.067	10UASI535-01	36,373
FFY12 UASIE&T Grant	97.067	12UASI535-01	71,012
UASI - TACTICAL TEAM ENHANCEMENTS	97.067	10UASI536-03	208,295
FFY11 UASILnX and RAPID Maintenance	97.067	11UASI536-01	397,986
FFY12 UASILNX	97.067	12UASI536-01	2,198
FFY11 UASITactical Team Enhancements	97.067	11UASI536-02	370,305
UASI Information - Data Sharing	97.067	9UASI536-02	22,583
UASI Information - Data Sharing	97.067	9UASI536-01	13,348
FFY10 LnX MAINTENANCE	97.067	10UASI536-01	608,736
FFY10 UASILnX HANDHELD SOLUTION (PHASE II)	97.067	10UASI536-02	485,214
FFY12 NIMS Compliance Officer	97.067	12UASI535-02	21,928
FFY10 UASINIMS Continuation	97.067	10UASI535-02	17,991
FFY10 Volunteer & Citizen Corps Program - MC	97.067	10UASI535-03	88,138
FFY11 Volunteer & Citizen Corps Program - MC	97.067	11UASI535-03	37,435
FFY12 Volunteer & Citizen Corps Program - MC	97.067	12UASI535-03	3,015
FFY10 UASIMD 5% - MC Homeland Security Support	97.067	10UASI535-04	1,552,684
UASI 2011 MD 5%	97.067	11UASI535-04	94,783
FFY12 UASIRegional Planning Grant	97.067	12UASI535-04	101,868
FRS FFY10 UASITECH RESCUE TASK FORCE PROJECT	97.067	10UASI541-04	1,184,013
FRS FY10 UASIMED AMB BUS ENHANCEMENT	97.067	10UASI541-03	455,773
FRS FFY10 UASIPATIENT TRACKING SYSTEMS	97.067	10UASI541-02	231,081
FRS FFY11 UASIPATIENT TRACKING SYSTEMS	97.067	11UASI541-02	207,478
FRS FFY12 UASIPATIENT TRACKING SYSTEMS	97.067	12UASI541-02	115,176
FRS FFY10 UASIWMD TRAINING VIA DCFEMS	97.067	3FBUA0	24,050
FRS FFY11 UASIMMRS CONTINUATION GRANT	97.067	11UASI541-03	128,220
FRS FFY12 UASIWATER OPERATIONS	97.067	12UASI541-04	102
FFY12 UASIMontgomery County EOC Enhancement (MD 5%)	97.067	12UASI535-05	130,674
FFY10 UASIK9 Training Grant	97.067	10UASI535-05	204,900
FFY11 UASICAD to CAD Grant	97.067	11UASI535-06	35,735
FFY11 UASIRegional Planning Grant - Montgomery County	97.067	11UASI535-05	200,179
Subtotal Homeland Security Cluster			\$ 7,088,894
U. S. Department of Homeland Security			
Pass Through Programs From:			
Maryland Emergency Management Agency			
Emergency Management Preparedness	97.042	11-SR-8852	393,882
Emergency Management Preparedness	97.042	12-SR-8852	129,521
2010 Citizen Corps Program	97.053	10-SR-8852-07	2,929
FFY10 State Homeland Security Grant	97.073	10-SR-8852-03	556,022
Pre-Disaster Mitigation Grant Program	97.073	PDMC-PL-03-MD-2010-010	13,872
2009 Buffer Zone Protection Program	97.078	2010-BF-T0-0035	72,516
Subtotal Pass Through Programs			8,257,636
Total U.S. Department of Homeland Security			11,696,259
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 111,622,264

The accompanying notes are an integral part of this schedule.

MONTGOMERY COUNTY, MARYLAND
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
June 30, 2013

NOTE 1 – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal grant activity of the primary government of Montgomery County, Maryland (the County) and is presented on the modified accrual basis of accounting. Federal awards of component units of the County reporting entity are not included in this Schedule.

The information in this Schedule is also presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in, the preparation of the basic financial statements.

Expenditures of federal award grant funds are made for the purposes specified by the grantor, and are subject to certain restrictions. Expenditures are also subject to audit by the relevant federal agency. In the opinion of management, disallowed costs, if any, from such audits will not have a material effect on this Schedule or the financial position of the County.

NOTE 2 – SUBRECIPIENTS

Of the expenditures presented in the Schedule, the County provided awards to subrecipients as follows:

Program Title	CFDA Number	Subrecipient Name	Amount Provided to Subrecipients
Head Start	93.600	Montgomery County Public Schools	\$ 3,495,891
Head Start	93.600	Montgomery County Public Schools	53,488
Infants and Toddlers (I & T)	84.027	Montgomery County Public Schools	225,322
Infants and Toddlers (I & T)	84.027	Montgomery County Public Schools	10,680
Infants and Toddlers (I & T)	84.181	Montgomery County Public Schools	121,835
MEDICAID (I & T)	93.778	Montgomery County Public Schools	435,191
Energy Efficiency and Conservation Block Grant (EECBG)			
Maryland-National Capital Park and Planning Commission (MNCPPC)			
Workforce Solutions Group of Montgomery County, Inc. (WSGMC)			
EECBG	81.128	Montgomery County Public Schools	323,943
EECBG	81.128	WSGMC	121,196
EECBG	81.128	Montgomery College	14,575
EECBG	81.128	Housing and Opportunity Commission	140,613
EECBG	81.128	MNCPPC	77,203
Community Development Block Grant (CDBG)			
CDBG	14.218	City of Rockville	96,845
CDBG	14.218	City of Takoma Park	80,390
Workforce Investment Act (WIA)			
Second Chance Grant	16.812	WSGMC	43,567
Adult Program	17.258	WSGMC	717,128
Youth Program	17.259	WSGMC	40,738
Youth Activities	17.259	Latin American Youth Center	511,658
Youth Summer Program	17.259	Transcen, Inc	227,310
Rapid Response	17.260	WSGMC	229,904
ARRA Energy Sector Training	17.275	WSGMC	62,813
Base Closing (BRAC)	17.277	WSGMC	238,277
Dislocated Workers	17.278	WSGMC	852,167
Early Intervention	17.278	WSGMC	189,395
DORS Summer Youth	84.126	WSGMC	78,244
		Total	<u>\$ 8,388,373</u>

MONTGOMERY COUNTY, MARYLAND
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
June 30, 2013

NOTE 3 – LOAN PROGRAMS WITH CONTINUING COMPLIANCE REQUIREMENTS

The County participates in the Home Investment Partnership Act federal loan program. The balance of loans from previous years and current year loan activity, as required under OMB Circular A-133, are presented in the Schedule of Expenditures of Federal Awards.

NOTE 4 – MEDICAL ASSISTANCE PROGRAM (MEDICAID TITLE XIX)

Maryland's Department of Health and Mental Hygiene-Medical Assistance Program (Medicaid; Title XIX; Federal Catalog number 93.778) is a State administered program that utilizes local governments to provide patient care services to Medicaid eligible individuals. The federal compliance related to these expenditures is the responsibility of the Maryland Department of Health and Mental Hygiene with the County providing administrative support and transportation services to eligible participants. The total value of these services for the year ended June 30, 2013, is included in the accompanying schedule; however, only the costs associated with the administrative support and transportation services were used to assess program risk.

This information is an integral part of the accompanying schedule.

**MONTGOMERY COUNTY, MARYLAND
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2013**

Part I – Summary of Auditor’s Results

Financial Statement Section

Type of auditor’s report issued: Unmodified

	<u>Yes</u>	<u>No</u>
Internal control over financial reporting:		
Material weakness(es) identified?		X
Significant deficiency(ies) identified not considered to be material weaknesses?		X
Noncompliance material to financial statements noted?		X

Federal Awards Section

	<u>Yes</u>	<u>No</u>
Material weakness(es) identified?		X
Significant deficiency(ies) identified not considered to be material weaknesses?	X	

Type of auditor’s report on compliance for major programs: Unmodified

	<u>Yes</u>	<u>No</u>
Any audit findings disclosed that are required to be reported in accordance with Circular A-133 section 510(a)?	X	

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
10.561	Supplemental Nutrition Assistance Program
14.218	Community Development Block Grant
14.253	Community Development Block Grant- ARRA
14.239	HOME Investment Partnership Program
93.600	Head Start
93.558	Temporary Assistance for Needy Families
97.067/97.004	Homeland Security Cluster

Dollar threshold used to determine Type A programs: \$3,000,000

	<u>Yes</u>	<u>No</u>
Auditee qualified as low-risk auditee?		X

MONTGOMERY COUNTY, MARYLAND
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2013
(Continued)

Part II – Financial Statement Findings Section

None noted

Part III – Federal Award Findings and Questioned Costs Section

Finding No 2013-01:

Compliance Requirement: Allowable Cost and Activity (Internal Control and Compliance)
Program: Community Development Block Grant
CFDA: 14.218
Type of Finding: Significant deficiency, Noncompliance
Year: 2013
Federal Agency: Department of Housing and Urban Development

Condition/Context:

We noted that 1 out of 40 program expenditures tested was not allowable in accordance with cost circular A-87. The County used federal funds to pay for amusement park trip for students attending an academy program which the County sponsored.

Criteria:

Per OMB Circular A-87, 14. Entertainment., "Costs of entertainment, including amusement, diversion, and social activities and any costs directly associated with such costs (such as tickets to shows or sports events, meals, lodging, rentals, transportation, and gratuities) are unallowable."

Cause:

The County was allowed to support educational trip for the student as long as the trips are in accordance with federal cost principles.

Effect:

The identified program cost was not in accordance with A-87.

Questioned Costs:

\$3,294.10, represents the costs of the amusement park tickets, transportation to and from the amusement park and lunch for the students.

Recommendation:

We recommend that the County enhance their current review of program expenditures to include cross-referencing program costs with the applicable federal cost circular.

Views of Responsible Officials and Planned Corrective Actions:

DHCA concurs with this finding. The subject costs were incurred as part of the education program for the students as indicated by the auditors; however, while the costs were in accordance with the goal of the program, they were not in accordance to the specific guidance of the federal cost circular. To prevent future occurrences, DHCA has reviewed the OMB circular with contract administration staff to ensure that staff is fully

MONTGOMERY COUNTY, MARYLAND
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2013
(Continued)

apprised of the current interpretation of eligible expenses. Additionally, DHCA has reviewed all active contracts in keeping with this interpretation and has determined that no additional reimbursements or budget line items can be construed as “entertainment”. Finally, DHCA is in the process of modifying the Public Service grants Fact Sheet and Funding Policy guidance to specifically note the ineligibility of any expenses that could be construed as “entertainment”. The new procedures will be completed prior to any additional contracts being awarded starting with the third quarter of FY14. Luann Korona (240-777-3656) is in charge of ensuring that the new procedures will be followed with every new contract issued.

Finding No 2013-02:

Compliance Requirement: Special Test- Quality Inspection (Internal Control and Compliance)
Program: Home Investment Partnership Program
CFDA: 14.239
Type of Finding: Significant deficiency, Noncompliance
Year: 2013
Federal Agency: Department of Housing and Urban Development

Condition/Context:

Four out of 17 housing projects selected for tested were not inspected in accordance with federal compliance requirements.

Criteria:

24 CFR 92.504(d) denotes the rotation for quality inspections of HOME assisted rental housing to be performed based on the number of rental assisted units.

Cause:

The County has written procedures for performing quality inspections; the lack of timely inspections was an oversight.

Effect:

The County was not in compliance with federal requirements for quality inspections.

Questioned Costs:

Undetermined, since the quality inspection was not performed we are unable to determine if the Unit was an eligible for rental assistance.

Recommendation:

We recommend that the County continue to utilize their current procedures and processes related to quality inspections. However, annual review of the governing CFR should be performed and used to determine if the County is in compliance with the CFR.

MONTGOMERY COUNTY, MARYLAND
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2013
(Continued)

Views of Responsible Officials and Planned Corrective Actions:

DHCA concurs with this finding. In the first quarter of FY13, DHCA identified and began to address issues related to timely housing inspections of HOME-funded units. DHCA instituted new procedures for setting up inspection case files and assigning inspections. These procedures have improved the efficiency and timeliness of inspections.

For FY14, DHCA hired an additional staff member to focus on asset management. With this added assistance, DHCA is reviewing its HOME property inspection records to ensure accuracy and to identify and correct issues with the inspection cycle. Additionally, DHCA is setting up case files on a quarterly basis, rather than monthly/bimonthly, to allow for more lead time for inspectors to schedule and conduct inspections, which will ensure timeliness of inspection in those cases where scheduling the inspection proves difficult. These new procedures will be completed and solutions implemented by the end of the third quarter of FY14. Tim Goetzinger (240-777-3728) is in charge of completing the new procedures.

MONTGOMERY COUNTY, MARYLAND
SCHEDULE OF PRIOR YEAR FINDINGS
June 30, 2013

Finding No 2012-10: Cash Management
Program: ARRA-Energy Efficiency and Conservation Block Grant Program
CFDA: 81.128

Condition:

We reviewed 3 of 7 drawdowns made during the year totaling \$1.2 million and noted that in one instance, the drawdown requires had been prepared and approved by the same personnel.

Views of Responsible Officials and Planned Corrective Actions:

We agree with this finding and recommendation. We will review our internal controls over requests for grant funds to ensure that in the future the established separation of duties of this process is followed for each request.

Current Year Status:

We reviewed the cash draw down process and noted that the County's procedures ensures that there is segregation of duties between the preparer and approver. During the current year's audit, we reviewed 2 reimbursement requests and noted that the preparer and approver were different employees. **Resolved**

Finding No 2012-11: Davis-Bacon Act
Program: Highway Planning and Construction
CFDA: 20.205

Condition:

For 7 out of 15 payroll reports selected for testing from 2 construction contracts, we observed that while the reports had been certified weekly, they had not been submitted to the County on a weekly basis as required. While Contracts Compliance and Monitoring, Inc. (CCMI), the specialized firm hired by the County to monitor compliance with the Davis-Bacon Act, sent letters to the firms requesting the reports, the firms did not submit them.

Views of Responsible Officials and Planned Corrective Actions:

We agree with this finding and recommendation. The County has a strong monitoring process in place. The County uses a third party vendor, Contract Compliance and Monitoring, Inc. (CCMI), to monitor Davis-Bacon Act compliance. As part of its monitoring functions, CCMI submitted a detailed monthly audit report to the prime contractors that were part of the test listing the non-compliance instances observed. In spite of CCMI's communication with the contractors, they failed to comply with submitting timely the subject certified payrolls. We concur that in these instances, the tested contractors did not initially submit the certified payroll by the required timeframe. We believe that the County exhibited in good faith effort, under the current Prevailing Wage Law, to enforce the Davis-Bacon Act requirements to ensure that we will ultimately receive all payroll records and the proper rates are paid to the employees. The County plans to identify enforcement actions it can take in a timely manner within the scope of the law.

**MONTGOMERY COUNTY, MARYLAND
SCHEDULE OF PRIOR YEAR FINDINGS**

June 30, 2013
(Continued)

Current Year Status:

The County repeatedly notified the contractor of the delinquent certified payrolls which demonstrates the County's internal control over monitoring the receipt of certified payrolls were properly working. Neither OMB A-102 nor the State of Maryland have cited sanctions for delinquent certified payrolls. The County continues to follow the same procedures as in prior years and properly notify contractors of delinquent certified payrolls.

Resolved

Finding No 2012-12: Eligibility
Program: Medical Assistance Program Cluster
CFDA Number: 93.778 (HB669)

Condition:

The County's Department of Health and Human Services (HHS) is responsible for determining eligibility of participants in the Medical Assistance (MA) Program. We noted the following during our review of 65 participants which had been selected for testing:

- 2 participant files did not have signed application forms.
- 1 participant file did not have the correct application information.
- 5 participant files could not be located during our testing.

Without HHS maintaining the proper documentation in the case files, we were unable to verify whether certain participants were properly enrolled in the MA program.

Views of Responsible Officials and Planned Corrective Actions:

We agree with this finding and concur with the recommendation but want to offer up additional explanation. The County has over 65,000 active cases of Medical Assistance including community Medicaid, long term care Medicaid, MCHIP, etc. The sample and the related missing files are a relatively small subset of the total volume of cases. The County has a structured process for determining eligibility. The Cognizant system, CARES, included narration on the subject applicants that could only come from case files including applications. Therefore, even though 5 hard copy files were not immediately available, the information in CARES backs-up the hard copy file and provides an additional level of support. The information requested appeared to have been misfiled and could not be presented during the time of the audit. It should be noted that the workload volume in this program has increased over 116% in the last five years with no additional resources. Although procedures were in place to prevent misfiled records, the possibility for this to occur had increased simply due to workload pressures and staffing shortages.

In order to mitigate the risk, a new policy will be implemented that will require a complete case record (including original application) as part of Supervisory or peer pre-reviews (PIRAMID) as well as an end-of-day check by managers to ensure proper filing. We are also expanding the number of personnel dedicated to case record management and filing, and implementing soon an electronic case management system with scanning capabilities, with a projected implementation schedule for May 2013.

**MONTGOMERY COUNTY, MARYLAND
SCHEDULE OF PRIOR YEAR FINDINGS**

June 30, 2013
(Continued)

Current Year Status:

Majority of the County's medical assistance participants receive this benefit via eligibility and participation in other social programs such as TANF, PWC, etc. Therefore, participants eligibility for medical assistance are tested in conjunction with the eligibility of the related program. For FY 2013, we tested the eligibility of 60 TANF participants and did not identify any instances of non-compliance. **Resolved**

Finding No 2012-13: Eligibility
Program: Temporary Assistance for Needy Families
CFDA Number: 93.558 (HB669)

Condition:

The County's Department of Health and Human Services (HHS) is responsible for determining eligibility of participants in the Temporary Assistance for Needy Families Program (TANF). We noted the following during our review of 41 participants which had been selected for testing:

- 1 participant file did not have income verification support available in the file.
- 1 participant file did not have the Maryland Automated Benefits System (MABS) income determination information. Further, the participant had failed to comply with the job search requirement and no evidence was available that income had been verified.
- 1 participant file did not have a signed application form.

Without HHS maintaining the proper documentation in the case files, we were unable to verify whether certain participants were properly enrolled in the TANF program.

Views of Responsible Officials and Planned Corrective Actions:

We agree with this finding and recommendation but want to offer up additional explanation. There has been a 72% increase in caseload and workload at a time of staffing shortfalls. We have almost a thousand cases of TANF in the County and the finding referenced two records. These conditions increased our risk around effective records management. However, we do want to reassure our stakeholders in oversight roles that the County has a structured process for determining eligibility. The Cognizant system, CARES, included narration on the subject applicants that could only come from case files including applications and serves as a back-up for the hard copy file. However, the information requested appeared to have been misfiled and could not be presented during the time of the audit.

In order to mitigate the risk, a new policy will be implemented that will require a complete case record (including original application) as part of Supervisory or peer pre-reviews (PIRAMID) as well as an end-of-day check by managers to ensure proper filing. We are expanding the number of personnel dedicated to case record management and filing, and implementing soon an electronic case management system with scanning capabilities, with a projected implementation schedule for May 2013.

Current Year Status:

For FY 2013, we tested the eligibility of 60 TANF participants and did not identify any instances of non-compliance. **Resolved**

**MONTGOMERY COUNTY, MARYLAND
SCHEDULE OF PRIOR YEAR FINDINGS**

June 30, 2013

(Continued)

Finding No 2012-14: Eligibility
Program: Social Service Block Grant
CFDA Number: 93.667 (HB669)

Condition:

The County's Department of Health and Human Services (HHS) is responsible for determining eligibility of participants in the Social Service Block Grant (SSBG). We noted the following during our review of 60 participants which had been selected for testing:

- 1 participant did not have documentation that a notice was given to provide status of the case.
- 1 participant, who was not considered a vulnerable adult, was incorrectly re-assessed.

Views of Responsible Officials and Planned Corrective Actions:

We agree with this finding and recommendation but ask that it be viewed in the context of the whole program. Aging and Disability Administration was found to have a 3% error rate for the APS and SSTA programs. These programs in FY12 had a collective caseload volume of 2,193 cases. Given these numbers, the findings are relatively small in magnitude though we concur that these vulnerabilities must be addressed. The program is reviewing case record documentation practices to address identified accountability issues to prevent such occurrences in the future. The service area has instituted enhanced supervisory oversight of case management record reviews to ensure compliance will be implemented. New case records will be reviewed every 30 days by the managers to ensure that all documentation in the case file is complete. For on-going cases, the manager will review the case files every six months for case record requirements. This process was implemented February 5, 2013.

Current Year Status:

SSBG was not a major program for FY13 as the County did not receive funding for this program. **Resolved**

Finding No 2012-15: Subrecipient Monitoring
Program: ARRA-Energy Efficiency and Conservation Block Grant Program
CFDA: 81.128

Condition:

One of 3 subrecipients selected for testing did not report funding received from the County's Energy Efficiency and Conservation Block Grant Program in its separate OMB Circular A133 audit report dated September 28, 2012. There was no evidence that the County obtained any corrective action plan from the subrecipient and followed-up on this deficiency in a timely manner. The County informed the subrecipient about the deficiency and requested a corrective action plan subsequently.

Views of Responsible Officials and Planned Corrective Actions:

We agree with this finding and recommendation. Because of the delay in closing the prior fiscal year, the established schedule of procedures was not completed timely. This year, following the established procedures, correspondence will be sent to subrecipients in July informing them of the amount of funds passed through during the fiscal year, the relevant CFDA number, grant identifier, the federal granting agency issuing the funds originally, and the granting agency from which the County received the funding. In the same correspondence, a

**MONTGOMERY COUNTY, MARYLAND
SCHEDULE OF PRIOR YEAR FINDINGS**

June 30, 2013

(Continued)

copy of their single audit report will be requested as soon as it becomes available. Starting the last week of September, we will follow up to obtain copies of subrecipients' single audit reports, will review them for findings, and request corrective actions if necessary.

Current Year Status:

For the current year's audit, we requested the FY13 subrecipient monitoring report for 1 or the 2 subrecipients. We reviewed the report to determine if the County requested and received the A-133 from the subrecipient, as well as documented the inclusion of the funds passed through the County in the subrecipient's A-133 report.

Resolved.





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