

**GUILFORD COUNTY, NORTH
CAROLINA**

**SCHEDULE OF EXPENDITURES OF FEDERAL
AND STATE AWARDS**

As of and for the Year Ended June 30, 2014

And Report of Independent Auditor

GUILFORD COUNTY, NORTH CAROLINA

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**Report of Independent Auditor 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 Board of County Commissioners
Guilford County, North Carolina

We have audited, in accordance with 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 discretely presented component unit, each major fund, and the aggregate remaining fund information of Guilford County, North Carolina (the "County"), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprises the County's basic financial statements, and have issued our report thereon dated November 26, 2014. The financial statements of the Greensboro/Guilford County Tourism Development Authority 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 County'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 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 of 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 results 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.

Channing Rickett LLP

Raleigh, North Carolina
November 26, 2014

**Report of Independent Auditor On Compliance for Each Major Federal Program
And Internal Control Over Compliance in Accordance with
OMB Circular A-133 and the State Single Audit Implementation Act**

The Board of County Commissioners
Guilford County, North Carolina

Report on Compliance for Each Major Federal Program

We have audited Guilford County, North Carolina (the "County"), compliance with the types of compliance requirements described in the OMB *Circular A-133 Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2014. The County's major federal programs are identified in the summary of auditor's 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.

Auditor's 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; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the State Single Audit Implementation Act. Those standards, OMB Circular A-133, and the State Single Audit Implementation Act 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.

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 on the County's compliance.

Basis for Qualified Opinion on NC Health Choice

As described in the accompanying schedule of findings and questioned costs, the County did not comply with requirements regarding CFDA # 93.767 NC Health Choice as described in finding 2014-001 for Activities Allowed or Unallowed. Compliance with such requirements is necessary, in our opinion, for the County to comply with the requirements applicable to that program.

Qualified Opinions on NC Health Choice

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, 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 NC Health Choice for the year ended June 30, 2014.

Unmodified Opinion on Each of the Other Major Federal Programs

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 other major federal programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2014.

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 which are described in the accompanying schedule of findings and questioned costs as items 2014-002, 2014-003, 2014-004, 2014-005 and 2014-006. Our opinion on each major federal program is not modified with respect to these matters.

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 a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our 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.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be a material weakness.

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 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. We consider the deficiency in internal control over compliance as described in the accompanying schedule of findings and questioned costs as finding 2014-007 to be a material weakness.

The County's responses to the noncompliance findings and the internal control over compliance finding 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 results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Schedule of Expenditures of Federal and State Awards

We have audited the financial statements of the governmental activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the County as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated November 26, 2014, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying schedule of expenditures of federal and State awards is presented for purposes of additional analysis as required by OMB Circular A-133 and the State Single Audit Implementation Act 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 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 financial statements, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal and State awards is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Cherry Rickett LLP

Raleigh, North Carolina
November 26, 2014

**Report of Independent Auditor on Compliance For Each Major State Program
and Internal Control Over Compliance in Accordance with OMB Circular A-133
and the State Single Audit Implementation Act**

The Board of County Commissioners
Guilford County, North Carolina

Report on Compliance for Each Major State Program

We have audited Guilford County, North Carolina (the "County"), compliance with the types of compliance requirements described in the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of the County's major State programs for the year ended June 30, 2014. The County's major State programs are identified in the summary of auditor's 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 state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major State 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 *Governmental Auditing Standards*, issued by the Comptroller General of the United States; applicable sections of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, as described in the *Audit Manual for Governmental Auditors in North Carolina*, and the State Single Audit Implementation Act. Those standards, OMB Circular A-133, and the State Single Audit Implementation Act 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 State 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.

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

Basis for Qualified Opinion on NC Health Choice

As described in the accompanying schedule of findings and questioned costs, the County did not comply with requirements regarding CFDA # 93.767 NC Health Choice as described in finding 2014-001 for Activities Allowed or Unallowed. Compliance with such requirements is necessary, in our opinion, for the County to comply with the requirements applicable to that program.

Qualified Opinions on NC Health Choice

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, 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 NC Health Choice for the year ended June 30, 2014.

Unmodified Opinion on Each of the Other Major State Programs

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 other major State programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2014.

Other Matters

The results of our auditing procedures disclosed other instances of noncompliance, which are required to be reported in accordance OMB Circular A-133 which are described in the accompanying schedule of findings and questioned costs as findings 2014-008, 2014-009, 2014-010 and 2014-011. Our opinion on each major State program is not modified with respect to these matters.

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 a major State program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major State 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.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be a material weakness.

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 State 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 State 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 combination of deficiencies, in internal control over compliance with a type of compliance requirement of a State 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. We consider the deficiency in internal control over compliance as described in the accompanying schedule of findings and questioned costs as finding 2014-007 to be a material weakness.

The County's responses to the noncompliance findings and the internal control over compliance finding 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 results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Schedule of Expenditures of Federal and State Awards

We have audited the financial statements of the governmental activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the County as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated November 26, 2014, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying schedule of expenditures of federal and State awards is presented for purposes of additional analysis as required by OMB Circular A-133 and the State Single Audit Implementation Act 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 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 financial statements, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal and State awards is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Channing Rickett LLP

Raleigh, North Carolina
November 26, 2014

GUILFORD COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? ___ yes X no
- Significant deficiency(s) identified that are not considered to be material weaknesses? ___ yes X none reported
- Noncompliance material to financial statements noted? ___ yes X no

Federal Awards

Internal control over major federal programs:

- Material weaknesses identified? X yes ___ no
- Significant deficiency(s) identified that are not considered to be material weaknesses? ___ yes X no
- Noncompliance material to federal awards noted? X yes ___ no

Type of auditor’s report issued on compliance for major federal programs: Unmodified with the exception of NC Health Choice which received a qualified opinion

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133 X yes ___ no

Identification of major federal programs:

<u>CFDA #</u>	<u>Program Name</u>
10.561	Supplemental Nutrition Assistance Program (SNAP) Cluster:
10.561	Supplemental Nutrition Assistance Program Administration
	Supplemental Nutrition Assistance Fraud Administration
10.557	Special Supplemental Nutrition Program
	For Women, Infants, and Children
10.557	Special Supplemental Nutrition Program
	For Women, Infants, and Children – Non Cash

GUILFORD COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Section I – Summary of Auditor’s Results (continued)

Identification of major federal programs (continued):

93.558	Temporary Assistance for Needy Families Cluster Temporary Assistance for Needy Families – TANF
93.645	CWS Adoption Assistance
93.645	Permanency Planning - Special
	Foster Care and Adoption Assistance Cluster:
93.658	IV-E Foster Care
93.658	IV-E Foster Care Maximization
93.658	IV-E Child Protective Services
93.658	IV-E Optional Administration
93.658	IV-E Administration County Paid to CCI
N/A	Foster Care HIV IV-E
93.658	IV-E Family Foster Max
93.658	IV-E Max Level III
93.658	ARRA-IV-E Foster Care
93.658	IV-E Foster Care Training
93.659	Adoption Assistance – IV-E
93.659	IV-E Administration
93.659	IV-E Optional Adoption Training
93.659	ARRA – Adoption Assistance
93.659	Direct Benefit Payments Adoption Assistance – IV-E
93.767	N.C. Health Choice
93.778	Medicaid Cluster
	Maternal Child Health Block Grant
93.994	Child Health
93.994	Child Fatality
93.994	Child Service Coordinator
93.994	Maternal Health
93.994	Family Planning

Federal programs that did not meet the criteria for a major program using the criteria discussed in OMB Circular A-133 Section .520 but were tested as a major program because the State awards met the threshold for a major State program or were required to be tested as a major program by the State are included in the list of major federal programs.

GUILFORD COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Section I – Summary of Auditor’s Results (continued)

Dollar threshold used to distinguish
between Type A and Type B Programs \$ 3,000,000

Auditee qualified as low-risk auditee X yes no

State Awards

Internal control over major State programs:

- Material weakness(es) identified? X yes no
- Significant deficiency(s) identified
that are not considered to be
material weaknesses? yes X no

Noncompliance material to State awards? X yes no

Type of auditor’s report issued on compliance of major State programs: Unmodified with the exception of
NC Health Choice which received a qualified opinion

Any audit findings disclosed that are required to be
reported in accordance with the State Single
Audit Implementation Act X yes no

Identification of major State programs:

Program Name

SC/SA Domiciliary Care

State Foster Home
State Foster Home Maximization

Public School Building Capital Fund - ADM Corp Tax
Public School Building Capital Fund - NC Education Lottery

Major State programs for Guilford County are CWS Adoption Assistance, Foster Care and Adoption Cluster, Medicaid Cluster, N.C. Health Choice and Child Maternal Health Block Grant which are State matches on federal programs. Therefore, these programs have been included in the list of major federal programs above.

GUILFORD COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Section II – Financial Statement Findings

None reported.

Section III – Federal Awards Findings and Questioned Costs

U.S. Department of Health and Human Services
Passed through the N.C. Department of Health and Human Services
NC Health Choice
CFDA # 93.767

Finding 2014-001

Material Noncompliance – Activities Allowed or Unallowed

Criteria: According to G.S. 108A-70.21 Statute, it states that any family whose income is above one hundred fifty percent (150%) through two hundred percent (200%) of the federal poverty level shall pay an enrollment fee of fifty dollars (\$50) per year per child with maximum annual enrollment fee of one hundred dollars (\$100) for two or more children. The enrollment fee shall be collected by the county department of social services and retained to cover the cost of determining eligibility for services under the Program. County departments of social services shall establish procedures for the collection of enrollment fees.

Condition: During our audit we noted where North Carolina Health Choice Program for Children was receiving grant funds from a local hospital to cover these enrollment fees. However, the total enrollment fees for all clients served exceeded the grant funds received from the hospital and the County did not collect these fees from the clients not covered by the grant funds. As a result, the County's reimbursement exceeded the allowable amount.

Questioned costs: \$39,100. Total enrollment fees which exceeded the grant amount.

Effect: By not having proper review procedures in place over enrollment fee collection, the County's reimbursement on the DSS 1571 has been overstated.

Cause: Program did not properly monitor enrollment fees required to be collected.

Recommendation: We recommend that management implement proper monitoring procedures over North Carolina Health Choice Program for Children enrollment fees to ensure that proper fees are collected.

Views of responsible officials: Effective monitoring was compromised by changes in roles and responsibilities for prior grant manager, along with transition of NCHC intake and case management into the NCFAST system, which still does not offer sufficient reports for tracking enrollment and re-enrollment fees.

GUILFORD COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Section III – Federal Awards Findings and Questioned Costs - continued

U.S. Department of Health and Human Services
Passed-through the N.C. Dept. of Health and Human Services
Division of Social Services:
Program Name: Temporary Assistance for Needy Families
CFDA # 93.558

Finding 2014-002

Nonmaterial Noncompliance – Eligibility

Criteria: All parents and caretakers must sign the Mutual Responsibility Agreement (MRA) Core Requirements in order to become and remain eligible for Work First. Further, Work First Family Assistance applications are to be completed within 45 days from the date of application.

Condition: Six instances in which documentation was missing in the case file. Eligibility could not be re-determined for two of these cases.

Questioned costs: \$5,004 is the total amount of the payments paid to these two individuals for the fiscal year ended June 30, 2014.

Context: We examined 40 case files. Of the 40 sampled, we noted that six of the files had missing documentation.

- One case file missing an MRA
- Two case files missing an MRA and the DSS-8228 – considered ineligible
- Two case files missing an OLV
- One case file missing court custody papers

Upon reexamination of each of the files listed above, the County was able to substantiate that all but two of the cases were eligible to receive TANF benefits.

Effect: The County is unable to substantiate in two cases that the recipient's eligibility was correctly determined.

Cause: Due to the high volume of applications and transition into a new case management system during FY 2014, staff has made more careless errors and oversights than in prior years.

Recommendation: Although these issues will occur from time to time considering the volume of case files that the County processes and maintains, it is recommended that procedures are in place to verify that all required eligibility information is obtained, recorded, and updated appropriately.

Views of responsible officials: Procedures and additional refresher training, if needed, will be put in place to ensure all required forms and verifications are completed and housed within the document management system to ensure Work First eligibility has been determined accurately.

GUILFORD COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Section III – Federal Awards Findings and Questioned Costs - continued

U.S. Department of Health and Human Services
Passed-through the N.C. Dept. of Health and Human Services
Division of Social Services:
Program Name: Temporary Assistance for Needy Families
CFDA # 93.558

Finding 2014-003

Nonmaterial Noncompliance – Special Tests and Provisions

Criteria: Once an individual is determined to be eligible a skills assessment must be made.

Condition: Three instances in which the DSS-5298 Family Assessment of Strengths and Needs could not be located in the case file.

Questioned costs: None.

Context: We examined 40 case files.

Effect: The County does not have the information necessary to correctly assess the skills and employability of the individual.

Cause: Worker oversight.

Recommendation: Although these issues will occur from time to time considering the volume of case files that the County processes and maintains, it is recommended that procedures are in place to verify that all required eligibility information is obtained, recorded, and updated appropriately.

Views of responsible officials: Procedures will be put in place to insure all required paperwork/forms are completed and updated according to Work First policy.

U.S. Department of Health and Human Services
Passed-through the N.C. Department of Health and Human Services
Division of Social Services
Program Name: CWS - Adoption Assistance
CFDA #: 93.645

Finding 2014-004

Nonmaterial Noncompliance – Eligibility

Criteria: Per the Child Welfare Funding Manual Chapter XIII the agency is required to use the Adoption Assistance Eligibility Checklist (DSS 5012) to establish eligibility and the Adoption Assistance Agreement (DSS 5013) must be completed, signed and dated by all parties to the agreement before the final decree of adoption.

Condition: Seven instances in which documentation was incorrectly documented in the case file. No instances of incorrect eligibility determination were noted. The lack of controls allows for inaccuracies with the potential for over or under payment of benefits.

GUILFORD COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Section III – Federal Awards Findings and Questioned Costs - continued

Questioned costs: None.

Context: We examined 24 case files and reviewed to ensure that eligibility requirements were met. Of the 24 files sampled, we noted seven of the files had incorrect documentation as follows:

Adoption Assistance:

- Six instances where the 5013 forms were not signed and dated therefore it cannot be determined if this form was completed prior to the final adoption decree.
- One instance where the 5012 form reflects different funding sources within the form however it was determined that the payments were made from the correct funding source.

Effect: By not having the required documentation there is a risk that the County could provide funding to individuals who are not eligible.

Cause: Case workers overlooked proper completion of paperwork and failed to update recipient's files appropriately.

Recommendation: It is recommended that policies and procedures be put in place or reinforced to ensure that all documentation is obtained in the case file.

Views of responsible officials: Guilford County Department of Health & Human Services (DHHS) is in agreement with the adoption assistance findings. Of the seven audit exceptions, all cases involve questionable signatures and dates on the Adoption Assistance Agreement (5013). None of the seven cases involve potential paybacks of IV-B funds. In each instance, the 5013 (Adoption Assistance Agreement) was not signed and not dated by DHHS staff prior to final adoption decree awarded by the Court. The other case contained a clerical error, which does not involve payback of IV-B funding.

With respect to both questionable paybacks, the children were in fact eligible for adoption assistance payments. However, they are citing Policy in Child Welfare Funding Manual, Chapter XIII, which states, *"Title IV-E adoption assistance is available on behalf of a child if s/he meets all of the eligibility criteria and the County agency enters into an adoption assistance agreement with the prospective adoptive parent(s) prior to the finalization of the adoption. The auditors believe that form is not completed until it is signed and dated."*

GUILFORD COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Section III – Federal Awards Findings and Questioned Costs - continued

U.S. Department of Health and Human Services
Passed-through the N.C. Department of Health and Human Services
Division of Social Services
Program Name: Foster Care and Adoption Cluster, State Foster Home
CFDA #: 93.658 and 93.659 – Foster Care – Title IV-E and Adoption Assistance
State Foster Home and State Foster Home Maximation

Finding 2014-005

Nonmaterial Noncompliance – Eligibility

Criteria: Per the Child Welfare Funding Manual Chapter XIII a current written Initial Case Plan or Family Services Agreement with all applicable components must be completed at appropriate intervals.

Per the Child Welfare Funding Manual Chapter XIII the agency is required to use the Adoption Assistance Eligibility Checklist (DSS 5012) to establish eligibility and the Adoption Assistance Agreement (DSS 5013) must be completed, signed and dated by all parties to the agreement before the final decree of adoption.

Condition: Sixteen instances in which documentation was missing or incorrectly documented in the case file. Two instances of incorrect eligibility determination were noted. The lack of controls allows for inaccuracies with the potential for over or under payment of benefits.

Questioned costs: \$62,181 is the total amount of the payments paid from IV-E Federal funding in two cases where the 5013 forms were not dated by one of the parties therefore it cannot be determined if this form was completed prior to first payment being made. The questioned costs represent the total benefits paid to two individuals from the initial payment through the fiscal year ended June 30, 2014. Other than these two cases we were able to determine that all recipients with the exception of two were eligible for assistance through review of the case files.

Context: We examined 60 case files and reviewed to ensure that eligibility requirements were met. Of the 60 files sampled, we noted sixteen of the files, three Foster Care, eleven Adoption Assistance and two State Foster Home that had missing or incorrect documentation as follows:

Foster Care – Title IV-E:

- Three Family Service Agreements were not documented in the file covering the appropriate interval tested.

Adoption Assistance:

- Five instances where the 5013 forms were not dated by one of the parties therefore it cannot be determined if this form was completed prior to first payment being made. Two of these cases were from IV-E Federal Funding and three were from IV-B State Funding. Only the two cases from IV-E Federal Funding are considered to have questioned costs.
- One instance where the 5013 was signed during the same month as first payment.
- Two instances where the 5013 form was signed after the first payment.
- One instance where the form 5013 was not signed or dated and 5012 was not properly signed.
- Two instances where the eligibility/funding source on 5095 did not agree with the eligibility/funding source on forms 5013 and 5012.

GUILFORD COUNTY, NORTH CAROLINA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Section III – Federal Awards Findings and Questioned Costs - continued

State Foster Home:

- One Family Service Agreement was not documented in the file covering the appropriate interval tested.
- One Initial Case Plan was not completed within 30 days of coming into custody and Family Service Agreement was not updated within subsequent six months.

Effect: By not having the required documentation there is a risk that the County could provide funding to individuals who are not eligible.

Cause: Case workers overlooked proper completion of paperwork and failed to update recipient's files appropriately.

Recommendation: It is recommended that policies and procedures be put in place or reinforced to ensure that all documentation is obtained in the case file.

Views of responsible officials: Guilford County Department of Health & Human Services is in agreement with the adoption assistance findings. Of the five audit exceptions with questions involving the questionable dates the Adoption Assistance Agreement (5013) was completed, two involve potential IV-E paybacks. In each instance, the 5013 (Adoption Assistance Agreement) was signed but was not dated. The other three do not involve payback due to IV-B funding.

With respect to both questionable paybacks, the children were in fact eligible for adoption assistance payments. However, they are citing Policy in Child Welfare Funding Manual, Chapter XIII, which states, *"Title IV-E adoption assistance is available on behalf of a child if s/he meets all of the eligibility criteria and the County agency enters into an adoption assistance agreement with the prospective adoptive parent(s) prior to the finalization of the adoption. The auditors believe that form is not completed until it is signed and dated."*

U.S. Department of Health and Human Services
Passed through the N.C. Department of Health and Human Services
Medical Assistance and N.C. Health Choice
CFDA # 93.778 and 93.767

Finding 2014-006

Nonmaterial Noncompliance – Eligibility

Criteria: The County should have adequate monitoring controls to ensure that all information is updated appropriately in recipient's files and in the EIS system, and to ensure that all required physical documentation is located in the file to properly document eligibility with program requirements.

Condition: Twenty-four instances in which documentation was missing or incorrectly documented in the case file. Two instances of incorrect eligibility determination were noted. The lack of controls allows for inaccuracies with the potential for over or under payment of benefits.

Questioned costs: The questioned costs would represent the total benefits paid to these two individuals. We were unable to determine the questioned costs paid to these two individuals as the County does not have access to this information.

GUILFORD COUNTY, NORTH CAROLINA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Section III – Federal Awards Findings and Questioned Costs - continued

Context: We examined 40 case files, 34 Medical Assistance and 6 N.C. Health Choice. Of the 40 files sampled, we noted 24 of the files (20 Medical Assistance and 4 N.C. Health Choice) had missing or incorrect documentation as follows:

Medical Assistance:

- Four missing budget verification forms and determination/redetermination forms did not agree to EIS data
- One missing budget verification form and resource match documents
- One missing budget verification form and verification of liquid assets, and determination/redetermination form did not agree to EIS data
- One missing verification of liquid assets
- Two budgets were computed incorrectly and determination/redetermination forms did not agree to EIS data
- Two missing verification of Health insurance coverage, verification of resources match documents, budget verification forms, verification of medical expenses and determination/redetermination forms did not agree to EIS data – upon recomputation one of these individuals was deemed ineligible.
- One missing verification of resource match documents
- One determination/redetermination form did not agree to EIS data
- One missing budget verification form
- One budget computed incorrectly
- One missing budget verification form, verification of health insurance coverage, resource match documents, verification of medical expenses, verification of liquid assets and application and determination/redetermination form did not agree to EIS data
- One missing budget verification form and application and determination/redetermination form did not agree to EIS data
- One missing budget verification form and verification of medical expenses and determination/redetermination form did not agree to EIS data
- One missing resource match documents and budget verification form and determination/redetermination form did not agree to EIS data
- One recipient was incarcerated on January 31, 2014 and should have been suspended from Medicaid eligibility as of this time period - ineligible individual

N.C. Health Choice:

- One missing budget verification form and determination/redetermination form did not agree to EIS data
- One budget was computed incorrectly
- One missing budget verification form and verification of medical expenses and determination/redetermination form did not agree to EIS data
- One missing verification of resource match documents

Upon reexamination of each of the files listed above, the County was able to substantiate that all but two of the Medical Assistance recipients were eligible to receive Medicaid benefits. This was accomplished by such means as re-computation of the budget by retrieving the online verification form (OLV) which matched the Medicaid Coverage period to ensure all appropriate income sources were included in the computation.

GUILFORD COUNTY, NORTH CAROLINA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Section III – Federal Awards Findings and Questioned Costs - continued

Effect: By not having the required documentation in the files or information being incorrectly documented, eligibility cannot be readily substantiated and there is a risk that the County could provide funding to individuals who are not eligible.

Cause: Caseworker failure to scan and store appropriate budget documents and verifications upon eligibility determination. In addition, there was reduced attention given to 2nd party case reads in order to identify error trends.

Recommendation: Although these issues will occur from time to time considering the volume of case files that the County processes and maintains, it is recommended that policies be put in place or reinforced to ensure that participant eligibility and documentation is maintained appropriately. The County should implement an internal control in order to ensure that all proper documentation is kept and maintained in the case files in an attempt to prevent loose filings in the future which can result in missing documentation.

Views of responsible officials: The actions requested were for an eligibility period during which time the agency was undergoing significant transition and reorganization. The aspect of supervisor unit case reads and internal agency case reads was not readily executed in order to avoid errors and identify error trends. Moving forward effective August 2014 we will embark on the soft launch of Medicaid in the NCFAST system, at which time we will complete MA applications in NCFAST. During the month of November 2014 we will transition to hard launch, which will ensue completing all recertifications in NCFAST. Utilizing the NCFAST system will substantially reduce if not eliminate the instances of missing budget info as budget will be automatically computed by the system and matches are pulled thru the NCFAST system and both are stored thereof.

U.S. Department of Health and Human Services
Passed through the N.C. Department of Health and Human Services
Medical Assistance, NC Health Choice, Maternal Health Block Grant
CFDA #93.778, 93.767, 93.994

Finding 2014-007

Material Weakness – Quality Review of case files

Criteria: An effective system of internal control contemplates that management properly review and assess the eligibility of individuals to ensure the accuracy of the benefits being provided. This includes ensuring that all reviewers have the proper training and qualifications in order to appropriately access the eligibility of participants.

Condition: We noted instances where programs listed above administered under the Department of Health and Human Services did not have proper review controls in place to ensure that proper eligibility determinations were being met.

Effect: By not having proper review procedures in place over eligibility determination, participant files could contain incorrect documentation where funding could be provided to individuals who are truly not eligible or not provided to truly eligible individuals.

GUILFORD COUNTY, NORTH CAROLINA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Section III – Federal Awards Findings and Questioned Costs - continued

Cause: Technical problems associated with the implementation of the NCFAST case management system, in conjunction with substantial increases in application volume and caseload sizes, resulted in all staff, including lead caseworkers and supervisors who traditionally conducted second party reviews of applications and recertification, being utilized to assist in application and recertification processing, to assist in benefit availability for eligible customers.

There was an oversight in making the eligibility audit a systematic standard in the agency Audit policy.

Recommendation: We recommend that management implement proper review procedures over the Department of Health and Human Services eligibility determinations to ensure that records contain current, reliable and appropriate documentation in each participant file.

Views of responsible officials: As we move forward with the development of a training team, adding additional staff, changes in business processes, and the division ability to execute an effective system of internal controls will be enhanced. With these implementations, we will be able to ensure that all reviewers have the ability to effectively and accurately evaluate customers for eligibility.

At the time of the internal audit review, random audits were being conducted by the Administrative Officer. Random audits were done on 1-2 patients approximately every 2 days.

Section IV – State Award Findings and Questioned Costs

N.C. Department of Health and Human Services
Direct Benefit Payments
Program Name: SC/SA Domiciliary Care

Finding 2014-008

Nonmaterial Noncompliance – Eligibility

Criteria: Eligibility periods and payment amounts documented in case records correspond to data in the EIS system.

Condition: Two instances in which the payment amount documented in the case record did not correspond to the data in the EIS system.

Questioned costs: \$67. The questioned costs represent the total benefits paid to two individuals during fiscal year 2013-2014.

Context: We examined 40 case files and reviewed to ensure that all eligibility periods and payment amounts documented in the case records corresponds to data in the EIS system.

Effect: By case documentation not agreeing to the EIS system, improper payments could be provided to individuals.

Cause: Case worker failed to update the EIS system to reflect the appropriate payment amount to the individual or the case worker made a keying error in the EIS system.

GUILFORD COUNTY, NORTH CAROLINA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Section IV – State Award Findings and Questioned Costs - continued

Recommendation: Although these issues will occur from time to time considering the volume of case files that the County processes and maintains, it is recommended that the County reinforce to ensure that documentation maintained in the case files agree with the EIS system. The County should maintain policies in an attempt to prevent these issues in the future.

Views of responsible officials:

- In one of the two cases, the state EIS system did an automatic update using an income amount \$1.00 different than OLV showed. At review the case worker did not make the correction resulting in 7 months payment error of \$7.
- The second case was an application that was approved just prior to the Cost of Living Allowance adjustment in January. The worker did not confirm that the automated system update reflected the correct amount and adjust the payment accordingly. This resulted in a \$60 overpayment of \$12 a month for 5 months.
- Both were corrected immediately upon discovery.

Department of Social Services
Program Name: Crosscutting

Finding 2014-009

Nonmaterial Noncompliance– Allowable Costs

Criteria: As noted in the DSS Services Information System User's Manual, employees time reported should agree with actual salaries paid as documented by payroll records and day sheet entries should be supported by documentation in the case record files.

Condition: Seven instances where the time entered into Kronos time keeping system did not agree to the day sheet entries and two instances in which the case record files did not have supporting documentation.

Questioned costs: \$242 which is the computed cost of the payroll for the difference in the time reported per the payroll records and day sheet entries. 1030 minutes were reported on the day sheets in excess of the time reported in the Kronos time keeping system.

Context: We examined 40 case files and reviewed to ensure that employees' time reported agreed with payroll records and to ensure that supporting documentation was kept on file to support the claim.

Effect: Day sheets are completed by employees and approved by the Supervisor when accounting for Program time. They are used to determine proper reimbursement for the program. This is required by the State and failure to have proper day sheets or support for time entries may lead to error or inefficiencies in requesting reimbursement for the Program.

Cause: Supervisors did not review to ensure that the employees' day sheet reflected time that the employee actually worked and documentation was not kept in the file.

Recommendation: The County should continue to train employees to ensure all time entered into the Kronos time keeping system is appropriately posted, approved, accounted for and documented in the case file.

Views of responsible officials: We concur with recommendation.

GUILFORD COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Section IV – State Award Findings and Questioned Costs - continued

N.C. Department of Health and Human Services
DSS Crosscutting

Finding 2014-010

Nonmaterial Noncompliance – Special Tests and Provisions

Criteria: A Computer Acquisition Plan (“CAP”) should be filed with the Division of Social Services (“DSS”) prior to the acquisition of equipment for local area networks to maximize the benefit of such devices and other devices as required to connect to the State network or other appropriate computer equipment purchases or services. If the actual total amount of the purchase exceeds the total amount on the Acquisition Plan, a revised plan must be submitted.

Condition: The County DSS Incurred computer equipment costs not included on the original CAP as there was a difference of \$3,131 between the CAP and the amount submitted on the DSS 1571. The costs of the software (\$750) and warranty and shipping costs (\$2,381) of the purchase were not included on the original CAP plan.

Questioned costs: The software costs of \$750 as the fiscal manual does not specifically state to include the warranty and shipping costs of \$2,381 in the CAP.

Context: We examined general ledger detail for the entire year for ADP equipment, software and hardware purchases to determine the purchases required to be included in the CAP.

Effect: By not submitting the required documentation, the State is not being properly informed of purchases made that require Federal Financial Participation.

Cause: The reason that DSS incurred equipment costs that were not included on the original Computer Acquisition Plan submitted in FY 2014 was due to DSS’s internal procedures were not aligned with the State’s policy. DSS has made the necessary changes to ensure that future Computer Acquisition Plans is prepared according to the State’s policy.

Recommendation: The County should include all costs of computer acquisitions and submit a CAP for all required purchases to DHHS prior to the acquisition to ensure that the State is properly notified of the purchases with Federal Financial Participation.

Views of responsible officials: Myra C. Thompson

GUILFORD COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Section IV – State Award Findings and Questioned Costs - continued

N.C. Department of Health and Human Services
DSS Crosscutting

Finding 2014-011

Nonmaterial Noncompliance – Special Tests and Provisions

Criteria: Physical access to terminals or personal computers that are connected to the State mainframe should be controlled. Appropriate security measures, including policies and procedures, must be in place to protect all information assets from accidental or unauthorized use, theft, modification, destruction, and to prevent the unauthorized disclosure of restricted information.

Condition: Employees that have transferred to other positions outside of Division of Social Services (DSS) or have terminated employment with DSS still have unauthorized access to the State System.

Questioned costs: None.

Context: We examined 363 accounts and 10 accounts were not appropriately updated or terminated.

Effect: By not updating employees access to the State system, unauthorized personnel could have inappropriate access and confidentiality, integrity, and availability of information could be compromised.

Cause: Information Services/Client Services could not verify if the accounts were submitted for deactivation with the state. All deactivations are done electronically and could not be pulled back up.

Recommendation: The County should ensure that policies and procedures are in place to protect all information systems from accidental or unauthorized use, theft, modification, destruction, and to prevent the unauthorized disclosure of restricted information.

Views of responsible officials: Kelly Grizzard, Mitzi Baird, and Brandon Rice (Client Services Team)

GUILFORD COUNTY, NORTH CAROLINA

SCHEDULE OF CORRECTIVE ACTION PLAN

FOR THE FISCAL YEAR ENDED JUNE 30, 2014

2014-001

Name of contact person: Ariane Webb, Program Manager, Universal Intake

Corrective Action: Grant funding will be monitored on a monthly basis by A. Webb. Robin Murphy, Sr. Accounting Technician, will continue to send monthly billing reports tracking enrollment and re-enrollment fees for active cases in the EIS (Eligibility Information System). A reporting tool is in development through the NCDHHS NCFAS and CSDW teams to track enrollment and re-enrollment fees in the NCFAS system. Upon completion, these reports will be forwarded to R. Murphy to include with monthly billing statements. Billing will be tracked based upon the grant fiscal year (October-September). When available grant funding has decreased below the average monthly billing amount, the collection process for NCHC fees will be implemented the following month.

During months when customer fee collection is required, ECW staff will pend approval of NCHC coverage based upon fee payment. The customer will be given a DMA-5059 notifying them that they are required to pay a specific fee amount prior to approval of NCHC coverage. Payment can be accepted via walk-in or mail. When the customer comes into the agency to make a payment, Robin Murphy, or an approved back-up accounting tech, will scan the DMA-5059 and the payment (in the form of check/money order) into the Northwoods document management system. Fee payment will be reported on a spreadsheet located on the "O" drive where ECW's and their supervisors will have read-only access to view if payment has been received by the customer. In addition, supervisors will monitor the spreadsheet weekly and notify staff weekly when fees have been paid. Upon verification of fee payment, the application or review will be approved and coverage will begin the month of payment. Fee payment will be reported monthly on the DSS-1571 by R. Murphy.

Proposed Completion Date: June 30, 2015

2014-002

Name of contact person: Ariane Webb (Program Manager, Universal Intake)
Tonya Jackson (Program Manager, Universal Review)

Corrective Action: Work First policy and procedural refresher trainings were completed by Work First lead caseworker and NCDHHS personnel in August 2014. Ongoing second party reviews of random samplings of applications will be completed on a monthly basis. Supervisors and/or lead workers will discuss findings of these reviews with caseworkers during monthly conferences and/or unit meetings, and identify trends to determine if additional refresher training is required. All staff conducting Work First intake will be reminded via email and during monthly unit meetings of required forms and documentation for an accurate intake process. Emphasis will be placed on completing forms housed within the Compass document management system and scanning all necessary documentation and verifications into the system at initial intake.

Proposed Completion Date: Ongoing through June 30, 2015

2014-003

Name of contact person: Betty Kelly, Program Manager Randal Hoover, Social Work Supervisor
Lisa Dudley, Social Work Supervisor

Corrective Action: Step 1: Discussion with Work First Employment Services Social Workers regarding the Strength and Needs Assessment form. This discussion will be in the form of a unit meeting reiterating policy concerning the use of the Strength and Needs Assessment form, time frames for completing and updating the form along with proper completion and utilization of the form to enhance the assessment process.

GUILFORD COUNTY, NORTH CAROLINA

SCHEDULE OF CORRECTIVE ACTION PLAN

FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Step 2: Caseload audits will be conducted to ensure all cases have this required form is in place, completed and updated timely according to Work First policy. Caseload audits will occur once per month to include November 2014, December 2014 and January 2015. Ongoing random case reviews will be conducted to ensure consistency in Strength and Needs Assessment completion and placed in file.

Proposed Completion Date: January 31, 2015

2014-004

Name of contact person: Laurie Jones, Program Manager, 336-641-5729

Corrective Action:

- Review all 949 open Adoption Assistance cases to review accuracy and completion of 5012, 5013s and funding sources, using an audit tool to verify signatures, dates & correct funding source.
- Eligibility for Adoption Assistance (5012) is to be determined within 30 days of case being assigned to the Adoption's Team.
- Eligibility is to be reviewed every 60 days and updated as needed.
- Eligibility is to be discussed with adoptive parent within 10 days of family being identified. (Must be discussed prior to bringing family to placement committee)
- Adoption Assistance Agreement (5013) is to be signed and dated by adoptive parents and Social Worker within 10 days of placement committee decision.
- Adoption Assistance Agreement, application and eligibility form are to be reviewed by the Supervisor within 48 hours of completion. Supervisor will make any necessary corrections and initial and date all forms. (Within 12 days of placement committee decision)
- The Adoption Assistance Agreement will be submitted to the Program Manager within 24 hours after Supervisor review.
- The Program Manager will review Agreement and return to Social Worker within 48 hours.
- The 1808 (Report on Proposed Adoption) will only be submitted by the Social Worker once receiving a signed and dated Adoption Assistance Agreement.
- Once the case is referred to the Adoption Assistance Worker for payment, the eligibility worker will review for signatures prior to a payment being issued.
- On a monthly basis the new Adoption Assistance cases will be reviewed by the Program Manager.
- The Adoption Assistance referral form will be updated to include the 1808 and the original 5120.

Proposed Completion Date: The review of all 949 open Adoption Assistance cases was completed by September 26, 2014. The other recommended Corrective Actions are ongoing in order to remain in compliance.

2014-005

Name of Contact Person: Laurie Jones, Program Manager, 336-641-5729

Corrective Action:

- Review all 949 open Adoption Assistance cases to review accuracy and completion of 5012, 5013s and funding sources, using an audit tool to verify signatures, dates & correct funding source.
- Eligibility for Adoption Assistance (5012) is to be determined within 30 days of case being assigned to the Adoption's Team.

GUILFORD COUNTY, NORTH CAROLINA

SCHEDULE OF CORRECTIVE ACTION PLAN

FOR THE FISCAL YEAR ENDED JUNE 30, 2014

- Eligibility is to be reviewed every 60 days and updated as needed.
- Eligibility is to be discussed with adoptive parent within 10 days of family being identified. (Must be discussed prior to bringing family to placement committee)
- Adoption Assistance Agreement (5013) is to be signed and dated by adoptive parents and Social Worker within 10 days of placement committee decision.
- Adoption Assistance Agreement, application and eligibility form are to be reviewed by the Supervisor within 48 hours of completion. Supervisor will make any necessary corrections and initial and date all forms. (Within 12 days of placement committee decision)
- The Adoption Assistance Agreement will be submitted to the Program Manager within 24 hours after Supervisor review.
- The Program Manager will review Agreement and return to Social Worker within 48 hours.
- The 1808 (Report on Proposed Adoption) will only be submitted by the Social Worker once receiving a signed and dated Adoption Assistance Agreement.
- Once the case is referred to the Adoption Assistance Worker for payment, the eligibility worker will review for signatures prior to a payment being issued.
- On a monthly basis the new Adoption Assistance cases will be reviewed by the Program Manager.
- The Adoption Assistance referral form will be updated to include the 1808 and the original 5120.

Proposed Completion Date: The review of all 949 open Adoption Assistance cases was completed by September 26, 2014. The other recommended Corrective Actions are ongoing in order to remain in compliance.

2014-006

Name of contact person: Tonya Jackson, Program Manager

Corrective Action:

1. All care files are processed in NCFAST according to Integrated DHHS policy to ensure adequate and appropriate documentation and verification maintenance.
2. All MA staff undergoes NCFAST system training (State and/or Local administered trainings to ensure system manageability).
3. All MA staff undergo refresher training in appropriate program Integrated MA policy concerning budgeting, budget verification, and OVS requirements and unitization.

Proposed Completion Date: December 2014

2014-007

Name of contact person: Myra Thompson, DSS Business Manager; Judy Southern, Clinical Service Program Manager

Corrective Action: A training team has been developed to assist intake and review teams with 2nd party reviews for new employees, in addition to troubleshooting and 2nd party review of applications and recertification's for existing eligibility caseworkers. Currently we have reinstated 2nd party reads for existing staff that are being completed by our internal audit staff member (Cynthia Everhart). Going forward we will implement 2nd party reads by our training and supervisory staff for new hires at a rate of 100% for 30 days following the completion of class room training. New hires will then receive a 2nd party read on 25% of their case work until they have reach 120 days post training, at which time they will go to 3 case reads monthly ongoing into and throughout permanent status.

GUILFORD COUNTY, NORTH CAROLINA
SCHEDULE OF CORRECTIVE ACTION PLAN

FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Since the audit, the eligibility audit was added to the standing Clinical Audit Policy-AO1 to be done at least quarterly on 10 Family Planning and 10 Maternal Health clients.

Proposed Completion Date: Implementation of this plan will be effective 30 days post NCFASST Medicaid hard launch (proposed hard launch date is November 6), and ongoing thereafter. This will become a permanent process for Economic services, eligibility caseworkers.

Eligibility Audits were begun on July 25, 2014 and will be done in July, October, January and April of each year. Random audits are done by the supervisors as needed.

2014-008

Name of contact person: Cheryl Millmore, AASD Program Manager

Proposed Completion Date:

- Effective immediately, within 30 days of an automatic update in the EIS system and cases approved immediately prior to automatic COLA updates, eligibility staff will confirm that the system used the correct RSDI amount via the SOLQ (SSA) system. If the amount is different from that on the report, the payment will be revised, with appropriate notice to the client, to assure accurate payment.

2014-009

Name of contact person: Myra C. Thompson

Corrective Action: Will discuss at next Management Team meeting.

Proposed Completion Date: October 20, 2014

2014-010

Name of contact person: Myra C. Thompson

Corrective Action: The agency has submitted the items list above on an ADP and have submitted to state for approval; once approved a correction on the 1571 will be processed and those costs submitted for reimbursement. In the future the agency ADP will be submitted prior to purchases and will request shipping and warranty cost from vendors when receiving quotes.

Proposed Completion Date: November 15, 2014

2014-011

Name of contact person: Bridget Lindsay

Corrective Action: In the future Information Services/ Client Services will follow the following steps to ensure ids are deactivated in a timely manner. Mitzi Baird is the primary security officer responsible for submitting all High Point termination requests. Kelly Gizzard and Brandon Rice are responsible for submitting Greensboro termination request. Terminations will be submitted when notifications are received from the IS Work Order system. Mrs. Baird is also responsible for the fourteen state security audits required twice a year by the state. In addition to the fourteen state security audits, she performs three additional state security audits required every month. Mrs. Baird makes corrections to security as needed based on audits.

GUILFORD COUNTY, NORTH CAROLINA

SCHEDULE OF CORRECTIVE ACTION PLAN

FOR THE FISCAL YEAR ENDED JUNE 30, 2014

The deactivation process for NCIDs' starts once the termination request is received from the IS online system. An Information Resource Access Authorization Form (IRAAF) is submitted to State electronically. This State form is processed immediately as a "revoke all" which renders the users RACF-ID null and void. Since the State requires the NCID portal to assign permissions in conjunction with the IRAAF, both systems can be touched once termination notice is received however this is based upon users' role for the Agency.

NCFast user accounts cannot be revoked until all cases and tasks have been transferred to another caseworker. Once all cases and tasks are transferred the accounts/userids are moved to an inactive status. This is the State's new process that was put in place on August 6, 2014. After user ids are revoked in IRAAF, security officers/client services team are unable to view any access the user had prior to being revoked.

State office administration staff are responsible for removing users' access in remaining individual State applications such as EBT Edge, EPIS, and OLV, etc. Guilford County will adhere to the security guidelines provided by State of North Carolina for all state systems.

Proposed Completion Date: This will be an on-going process.

GUILFORD COUNTY, NORTH CAROLINA
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Finding #: 2013-001

Status: Not corrected. See 2014-006

Finding #: 2013-002

Status: Corrected

Finding #: 2013-003

Status: Corrected

Finding #: 2013-004

Status: Not corrected. See 2014-005

Finding #: 2013-005

Status: Corrected

Finding #: 2013-006

Status: Not corrected. See 2014-009

GUILFORD COUNTY, NORTH CAROLINA
Schedule of Expenditures of Federal and State Awards
For the Fiscal Year Ended June 30, 2014

Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	State/Pass-Through Grantor's Number	Expenditures		
			Federal	State	Local
<u>FEDERAL AWARDS</u>					
<u>U.S. Department of Agriculture</u>					
<i>Child Nutrition Cluster:</i>					
Passed Through N.C. Department of Public Instruction:					
National School Lunch Program	10.555	1167	\$ 31,168	-	-
School Breakfast Program	10.553	1167	15,738	-	-
Passed Through N.C. Department of Health and Human Services:					
Division of Women's and Children's Health:					
Summer Food Service Program	10.559	12725767W341	2,621	-	-
<i>Total Child Nutrition Cluster</i>			49,527	-	-
Passed Through N.C. Department of Health and Human Services:					
Division of Social Services:					
<i>Supplemental Nutrition Assistance Program(SNAP) Cluster:</i>					
Supplemental Nutrition Assistance Program Administration (Note 1)					
	10.561	-	4,478,209	-	4,478,208
Supplemental Nutrition Assistance Fraud Administration (Note 1)					
	10.561	-	71,066	-	71,066
<i>Total Supplemental Nutrition Assistance Program(SNAP)</i>			4,549,275	-	4,549,274
Division of Women's and Children's Health:					
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	13A25403GD41,13A25403GE41,13A25409GD41,13A25409GE41,13A25405GD41,13A25405GE41,13A2570HJQ41,13A2570FJQ41,13A2570GJQ41,13A25404GD41,13A25404GE41	2,440,714	-	(34,860)
Direct Benefit Payments:					
Special Supplemental Nutrition Program for Women, Infants, and Children - Non Cash	10.557	-	10,297,414	-	-
<i>Total U.S. Department of Agriculture</i>			17,336,930	-	4,514,414
<u>U.S. Department of Housing and Urban Development</u>					
Passed Through the City of Greensboro, North Carolina:					
Lead Based Paint Hazard Control Program (Note 2)	14.900	NCLH0362-07	34,323	-	13,894
Lead Hazard Control Program for Healthy Homes	14.900	NCLHB0471-10	3,560	-	1,841
<i>Total U.S. Department of Housing and Urban Development</i>			37,883	-	15,735
<u>U.S. Department of Justice</u>					
Passed through N.C. Department of Public Safety:					
<i>JAG Program Cluster:</i>					
Passed Through City of High Point, North Carolina:					
Edward Byrne Memorial Justice Assistance Grant	16.738	2012-DJ-BX-0899	9,661	-	49
Edward Byrne Memorial Justice Assistance Grant	16.738	2013-DJ-BX-0434	55,514	-	60
<i>Total JAG Program Cluster</i>			65,175	-	109
N.C. Discretionary Funds GEMS	16.738	2010-DJ-BX-0045	6,408	-	-
Direct Programs:					
Federal Forfeitures	16.922	-	187,044	-	509,994
State Criminal Alien Assistance Program	16.606	2013-H3359-NC-AP	65,979	-	-
<i>Total U.S. Department of Justice</i>			324,606	-	510,103
<u>U.S. Department of Treasury</u>					
Direct Programs:					
Federal Forfeitures	21.000	-	2,004	-	21,109
<u>U.S. Department of Labor</u>					
Passed Through N.C. Department of Commerce:					
Division of Workforce Solutions:					
Passed Through City of Greensboro, North Carolina:					
<i>Workforce Investment Act Cluster:</i>					
WIA Adult Program	17.258	3-2020-42	27,583	-	-
WIA Dislocated Workers	17.278	3-2040-42	2,974	-	-
WIA Youth Activities	17.259	3-2030-42	21,810	-	-
<i>Total Workforce Investment Act Cluster</i>			52,367	-	-
<i>Total U.S. Department of Labor</i>			52,367	-	-

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Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	State/Pass-Through Grantor's Number	Expenditures		
			Federal	State	Local
FEDERAL AWARDS (Continued)					
U.S. Department of Transportation					
<i>Transit Services Programs Cluster:</i>					
Passed Through City of Greensboro, North Carolina:					
Job Access Reverse Commute	20.516	NC-37-X020	\$ 79,128	-	79,127
<i>Total Transit Services Programs Cluster</i>			79,128	-	79,127
Passed Through the N.C. Department of Transportation:					
<i>Highway Planning and Construction Cluster:</i>					
Highway Planning & Construction-STPA-DA	20.205	EL-5101EC	162,227	-	40,557
<i>Total Highway Planning and Construction Cluster</i>			162,227	-	40,557
<i>Highway Safety Cluster:</i>					
Law Enforcement Liaison Bike Safety Program	20.600	K6-2013-09-06	29,582	-	-
Highway Safety Program	20.601	K2-2014-07-09	219,505	-	38,736
Highway Safety Program	20.600	PT-2014-03-08	9,951	-	-
Highway Safety DWI Program	20.601	K2-2013-07-13	97,499	-	-
Highway Safety Program	20.600	PT-2013-03-03-03	1,007	-	-
<i>Total Highway Safety Cluster</i>			357,544	-	38,736
<i>Public Transportation and Rail Division:</i>					
Community Transportation Program - Administration	20.509	14-CT-049	64,594	106,983	30,278
Community Transportation Program - Capital	20.509	14-CT-049	9,602	17,405	3,001
<i>Total U.S. Department of Transportation</i>			673,095	124,388	191,699
U.S. Department of Health and Human Services					
Passed Through N.C. Department of Health and Human Services:					
<i>Division of Social Services:</i>					
Adoption Fostercare	N/A	-	228,943	40,516	46,391
Work First Administration	93.558	-	845,359	-	1,085,678
Work First Service	93.558	-	2,997,667	-	3,160,930
Family Preservation	93.556	-	75,551	-	-
Child Support Enforcement IV-D Administration	93.563	-	5,227,911	-	2,693,166
Child Support Enforcement IV-D Incentive	93.563	-	755,641	-	-
Refugee Assistance Administration	93.566	-	4,255	-	-
Crisis Intervention Payment	93.568	-	1,559,416	-	-
Low Income Home Energy Assistance	93.568	-	1,633,300	-	-
Low Income Energy Administration	93.568	-	345,158	-	-
Permanency Planning - Special	93.645	-	400,849	-	133,616
Adult Day Care	93.667	-	87,050	78,330	21,339
In-Home Services	93.667	-	94,123	-	13,446
SSBG Other Services and Training	93.667	-	1,791,467	227,133	654,120
Adult Protective Services	93.667	-	20,826	-	6,942
Links	93.674	-	49,039	16,932	(4,673)
Independent Living Special Links Fund	93.674	-	49,107	-	-
N.C. Health Choice	93.767	-	153,033	9,652	37,285
State County Special Assistance	93.778	-	164,132	-	164,132
Adult Care Home Case Management	93.778	-	193,997	37,435	156,561
Eligible Workers Admin. - Medical Assistance	93.778	-	49,239	41,230	8,010
Medical Assistance Administration	93.778	-	4,864,517	-	4,477,245
Medical Transportation Service	93.778	-	4,544	-	-
<i>Foster Care and Adoption Cluster: (Note 3)</i>					
IV-E Foster Care	93.658	-	536,246	139,545	139,546
IV-E Foster Care Maximization	93.658	-	65,993	16,437	17,936
IV-E Child Protective Services	93.658	-	321,585	180,272	410,075
IV-E Optional Administration	93.658	-	1,207,143	-	1,207,143
IV-E Administration County Paid to CCI	93.658	-	420,009	210,005	210,003
Foster Care HIV IV-E	N/A	-	-	9,600	-
IV-E Family Foster Max	93.658	-	-	24,544	12,852
IV-E Max Level III	93.658	-	(370)	-	248
ARRA-IVE Foster Care	93.658	-	(333)	-	-
IV-E Foster Care Training	93.658	-	2,266	-	755
Adoption Assistance - IVE	93.659	-	8,411	3,925	3,925
IV-E Administration	93.659	-	13,070	-	13,070
IV-E Optional Adoption Training	93.659	-	147,378	-	145,692
<i>Direct Benefit Payments:</i>					
Adoption Assistance - IVE	93.659	-	3,144,945	821,622	821,618
<i>Total Foster Care and Adoption Cluster</i>			5,866,343	1,405,950	2,982,863

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Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	State/Pass-Through Grantor's Number	Expenditures		
			Federal	State	Local
FEDERAL AWARDS (Continued)					
U.S. Department of Health and Human Services (continued)					
Passed Through N.C. Department of Health and Human Services: (continued)					
Division of Social Services: (continued)					
Direct Benefit Payments:					
Temporary Assistance for Needy Families	93.558	-	\$ 2,351,978	(105)	21,283
Aid to Families with Dependent Children	93.560	-	(3,294)	(903)	(903)
Refugee Assistance Administration	93.566	-	172,465	-	-
CWS Adoption Assistance	93.645	-	-	1,738,400	404,324
Aid to the Blind	93.667	-	90,438	51,559	18,198
Division of Medical Assistance:					
Medicaid Transportation Reimbursement	93.778	-	1,336,503	698,075	-
Direct Benefit Payments:					
Medical Assistance	93.778	-	340,997,132	187,038,818	-
Health Choice	93.767	-	6,506,816	2,052,220	-
<i>Subsidized Child Care (Note 3):</i>					
<i>Child Care Development Fund Cluster:</i>					
Division of Social Services:					
Child Care Development Fund - Administration	93.596	-	656,739	-	-
Division of Child Development:					
Child Care and Development Fund - Discretionary	93.575	-	7,770,490	-	-
Child Care and Development Fund - Mandatory	93.596	-	1,818,198	-	-
Child Care and Development Fund - Match	93.596	-	2,849,070	1,066,308	-
<i>Total Child Care Development Fund Cluster</i>			13,094,497	1,066,308	-
TANF	93.558	-	3,333,322	-	-
Foster Care Title IV-E	93.658	-	179,192	93,803	-
TANF Maintenance of Effort	N/A	-	-	1,735,573	-
Smart Start	N/A	-	-	150,769	-
State Appropriations	N/A	-	-	1,432,408	-
<i>Total Subsidized Child Care Cluster</i>			16,607,011	4,478,861	-
Division of Public Health:					
Maternal Child Health Block Grant:					
Child Health	93.994	12715745AP41, 133253580041	312,355	328,818	3,754,904
Child Service Coordination	93.994	12715318AP41	96,752	72,572	924,928
Maternal Health	93.994	13A15740AP41, 13A157400041, 13A15107AP41, 13A151070041	138,834	131,080	3,780,721
Family Planning	93.994	13A15735AP41, 13A16014FR41	122,236	152,402	1,643,691
<i>Immunization Cluster:</i>					
Immunization Action Plan	93.268	1331631AEJ41, 1331631BEJ41	86,776	-	203,404
<i>Total Immunization Cluster</i>			86,776	-	203,404
Bioterrorism	93.069	12642680EU41	80,000	-	23,504
Family Planning TANF	93.558	13A15151T241	35,690	-	-
HIV/STD Sexually Transmitted Disease (GISP)	93.977	1311462ANB41, 1311462ENB41	7,479	-	-
Project Assist	93.283	1271341EJ641, 1271341FJ641	85,495	-	779
CDC Refugee	93.576	1370810CFL41, 1370810BFL41	15,808	-	195,424
<i>HIV Cluster:</i>					
Aid-To-County (Federal)	93.940	1311981BHV41, 1311981CHV41	28,000	-	81,941
HIV Education, Counseling and Testing	93.940	1311439BHV41, 1311439CHV41	139,201	-	-
Syphilis Elimination Project	93.977	1311468ENB41	37,955	-	-
HIV/STD Non-Traditional C/T	N/A	13114541RR41, 13114541BN41	-	394,591	(28,885)
HIV/STD Prevention Training	N/A	131155500441, 131155590441	-	43,973	3,095
HIV/STD State	N/A	13114536RR41, 13114536BN41	-	25,668	28,584
<i>Total HIV Cluster</i>			205,156	464,232	84,735
Family Planning	93.217	13A1592CFP41, 13A1592BFP41	155,748	-	482,077
CDC Tuberculosis	93.116	1460272ENF41, 1460272DNF41	35,872	-	54,476
Healthy Communities	93.991	12615503PH41, 126155030041	10,479	6,285	3,054
Passed Through Person County Health Department:					
CDC Community Transformation	93.531	1261795AD5	144,430	-	-

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Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	State/Pass-Through Grantor's Number	Expenditures		
			Federal	State	Local
FEDERAL AWARDS (Continued)					
<u>U.S. Department of Health and Human Services</u> (continued)					
Passed Through N.C. Department of Health and Human Services: (continued)					
Division of Aging:					
Passed Through the Piedmont Triad Regional Council:					
SSBG Supportive Services for the Aging	93.667	-	\$ 193,583	30,342	24,880
<i>Aging Cluster:</i>					
Special Programs for the Aging:					
Title III-B, Supportive Services	93.044	-	67,843	4,001	7,983
Access	93.044	-	375,504	12,609	43,720
Title III-C-1, Congregate Meals	93.045	-	269,544	15,867	31,712
ARRA-Congregate Nutrition	93.707	-	-	-	-
Title III-C-2, Home Delivered Meals	93.045	-	236,576	187,396	47,108
Nutrition Service Incentive Program	93.053	-	110,345	-	-
<i>Total Aging Cluster</i>			<u>1,059,812</u>	<u>219,873</u>	<u>130,523</u>
Total U.S. Department of Health and Human Services			<u>398,307,021</u>	<u>199,319,707</u>	<u>27,387,053</u>
<u>U.S. Department of Homeland Security</u>					
Passed Through N.C. Department of Public Safety:					
Emergency Management Performance	97.042	EMPG-2013-37081	77,192	-	77,192
Total U.S. Department of Homeland Security			<u>77,192</u>	<u>-</u>	<u>77,192</u>
<u>Executive Office of the President</u>					
Office of National Drug Control Policy: High Intensity Drug Trafficking Areas	95.001	OND1070DB1314XX-G13GA0005A	95,890	-	-
Office of National Drug Control Policy: High Intensity Drug Trafficking Areas	95.001	OND1070DB1112XX-G11GA0005A	358	-	-
Office of National Drug Control Policy: High Intensity Drug Trafficking Areas	95.001	OND10B3SE1213-G12GA0005A	87,675	-	(854)
Total Executive Office of the President			<u>183,923</u>	<u>-</u>	<u>(854)</u>
TOTAL FEDERAL AWARDS			<u>416,995,021</u>	<u>199,444,095</u>	<u>32,716,451</u>

GUILFORD COUNTY, NORTH CAROLINA
Schedule of Expenditures of Federal and State Awards
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Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	State/Pass-Through Grantor's Number	Expenditures		
			Federal	State	Local
STATE AWARDS					
<u>N.C. Department of Health and Human Services:</u>					
Division of Social Services:					
CWS Adoption Assistance	N/A	-	\$ -	15,101	5,034
State Foster Home	N/A	-	-	430,192	430,189
State Foster Home - Maximization	N/A	-	-	422,041	422,039
Aid to Veterans Affairs	N/A	-	-	1,452	-
Collections Incentives/Program Integrity	N/A	-	-	73,646	-
Share the Warmth	N/A	-	-	876	-
Direct Benefit Payments:					
SC/SA Domiciliary Care	N/A	-	-	2,700,112	2,700,112
Division of Aging:					
Passed Through the Piedmont Triad Regional Council:					
In Home Services	N/A	-	-	787,936	87,548
Caregiver Match	N/A	-	-	49,655	5,517
Division of Child Development:					
DCD Smart Start	N/A	-	-	120,557	-
Division of Mental Health, Developmental Disabilities and Substance Abuse Services:					
Passed Through Sandhills Center for Mental Health:					
Single Stream Line Funding	N/A	536998 14225220003D	-	64,000	-
Division of Public Health:					
General	N/A	116141100041	-	232,612	6,805,100
Communicable Disease	N/A	117545100041	-	15,955	2,140,857
Tuberculosis	N/A	146045510041	-	83,904	277,987
Maternal Health High Risk	N/A	13A157460041	-	27,903	26,619
Passed Through NC Partnership for Children and Guilford County Partnership for Children:					
Smart Start Child Care Nurse	N/A	3-1314-06-3414	-	299,874	(82,427)
Smart Start Dental Hygienist	N/A	3-1314-06-5407	-	73,027	73,027
Smart Start Newborn Visits	N/A	3-1314-06-5413	-	443,397	4,113
Office of Public Health Nursing and Professional Development:					
Public Health Nurse Training	N/A	1161430100	-	2,400	-
Office of Rural Health and Community Care:					
Community Health Grant	N/A	90008438	-	32,547	512
Division of Vocational Rehabilitation Services:					
Medical Evidence Fees	N/A	-	-	1,825	-
Total N.C. Department of Health and Human Services			-	5,879,012	12,896,227
<u>N.C. Department of Environment and Natural Resources</u>					
Division of Environmental Health:					
NC Certified Well Contractor Training	N/A	115347510041	-	4,000	863,421
Child Lead Prevention Training	N/A	081811-2108, 072011-2123	-	2,468	-
Food and Lodging	N/A	115347520441	-	62,308	1,274,852
Parks Trust Fund Amenities (Part F)	N/A	2011-684/4467	-	149,665	-
Mosquito	N/A	115348010041	-	7,704	-
Division of Water Quality:					
Soil and Water Conservation	N/A	215315310441	-	33,409	30,183
Division of Waste Management:					
Leaking Petroleum Underground Storage Tank Cleanup	N/A	-	-	15,000	-
Total N.C. Department of Environment and Natural Resources			-	274,554	2,168,456
<u>N.C. Department of Transportation</u>					
<i>Rural Operating Assistance Program (ROAP) Cluster</i>					
Elderly and Handicapped Transportation (E&DTAP)	N/A	DOT-16CL	-	217,288	-
Rural General Public (RGP)	N/A	DOT-16CL	-	140,069	15,563
Work First Employment Transportation Assistance	N/A	DOT-16CL	-	66,039	7,338
<i>Total Rural Operating Assistance Program (ROAP) Cluster</i>			-	423,396	22,901
Total N.C. Department of Transportation			-	423,396	22,901

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			Federal	State	Local
STATE AWARDS (Continued)					
<u>N.C. Department of Public Safety</u>					
Juvenile Crime Prevention Council Programs	N/A	341-10097, 341-10098, 341-10099, 341-11431, 341-11524, 341-11525, 341-11606, 341-11909, 341-11939	\$ -	990,830	83,909
<u>N.C. Department of Commerce</u>					
One North Carolina Fund - Business Expansion	N/A	-	-	383,388	-
<u>N.C. Department of Public Instruction</u>					
Public School Building Capital Fund - ADM Corp Tax	N/A	-	-	27,643	-
Public School Building Capital Fund - NC Education Lottery	N/A	-	-	4,799,500	-
Total N.C. Department of Public Instruction			-	4,827,143	-
<u>University of North Carolina</u>					
Passed Through the Greensboro Area Health Education Center:					
Student Preceptor - Family Planning	N/A	-	-	1,598	-
TOTAL STATE AWARDS			-	12,779,921	15,171,493
TOTAL FEDERAL AND STATE AWARDS			\$ 416,995,021	212,224,016	47,887,944

GUILFORD COUNTY, NORTH CAROLINA
Schedule of Expenditures of Federal and State Awards
For the Fiscal Year Ended June 30, 2014

Notes to the Schedule of Expenditures of Federal and State Awards

1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal and State Awards includes the Federal and State grant activity of Guilford County and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audit of States, Local Governments, and Non-Profit Organizations and the State Single Audit Implementation Act. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements. "Direct Benefit Payments" are paid directly to recipients and are not included in the County's basic financial statements. However, due to the County's involvement in determining eligibility, they are considered Federal awards to the County and are included on this schedule with the exception of \$146,517,599 for the Supplemental Nutrition Assistance Program (SNAP). The U.S. Department of Agriculture, Food and Nutrition Services (FNS) has requested that County governments not report benefit payments for SNAP in the SEFSA because SNAP benefits are provided exclusively by Electronic Benefit Transfer (EBT) where there is no pass-through of Federal funds for SNAP benefits. Rather, benefits are processed and expenditures determined by State-level EBT systems. With respect to counties, therefore SNAP benefits do not meet the definitions of "Federal Award" and "Federal Financial Assistance" set out in OMB Circular A-133, § __.105.

2. Federal, State, and local matching funds of \$ 28,373 for City of Greensboro are reported elsewhere in the schedule.

3. The following are clustered by the NC Department of Health and Human Services and are treated separately for State audit requirement purposes: Subsidized Child Care, Foster Care and Adoption, Mental Health Services, Developmental Disability Waiting List Services, and Substance Abuse Services.

4. Subrecipients

Of the Federal and State expenditures presented in the schedule, Guilford County provided Federal and State awards to subrecipients as follows:

Subrecipient	Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Expenditures	
				Federal	State
One Step Further, Inc.	DJJ - CSR	N/A	341-11524	\$ -	98,315
	DJJ - Guilford County Teen Court	N/A	341-11525	-	94,794
Youth Focus, Inc.	DJJ - Counseling, Family Preservation, Day Reporting and Crisis Care	N/A	341-10097, 341-10098, 341-10099, 341-11606	-	719,209
Win-Win Resolutions	DJJ - B.O.T.S.O.	N/A	341-11909	-	22,283
Barium Springs	DJJ - S.T.O.P.	N/A	341-11939	-	49,718
Guilford County Schools	Public School Building Capital Fund	N/A	-	-	4,827,143
Adult Center For Enrichment	Special Programs for the Aging:				
	Title IIIB	93.044	-	18,248	1,076
	Caregiver Match	N/A	-	-	13,356
	In-Home Services for the Aging	N/A	-	-	211,934
Senior Resources of Guilford	Special Programs for the Aging:				
	Access	93.044	-	80,446	12,609
	Title IIIB	93.044	-	4,952	292
	Congregate Nutrition	93.045	-	269,544	15,867
	Home Delivered Nutrition	93.045	-	236,576	187,396
	Caregiver Match	N/A	-	-	3,625
	Nutrition Svcs Incentive Program	93.053	-	110,345	-
	In-Home Services for the Aging	N/A	-	-	57,518
Piedmont Health Services and Sickle Cell Agency	HIV/STD Non-Traditional C/T	N/A	13114541BN41, 13114541RR41	-	67,335
Piedmont Health Services and Sickle Cell Agency	Jail Screening	93.940	1311439BHV41, 1311439CHV41	110,026	-
NIA Community Action Center, Inc.	HIV/STD Non-Traditional C/T	N/A	1311439AHV41, 1311439BHV41	-	131,181
Triad Health Project	HIV/STD Non-Traditional C/T	N/A	13114541BN41, 13114541RR41	-	29,346