



TARRANT COUNTY, TEXAS

Single Audit

Year ended September 30, 2012



KPMG LLP
Suite 3100
717 North Harwood Street
Dallas, TX 75201-6585

**Independent Auditors' Report on Internal Control over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance With *Government Auditing Standards***

The Honorable County Judge
and Commissioners' Court:

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Tarrant County, Texas (Tarrant County) as of and for the year ended September 30, 2012, which collectively comprise Tarrant County's basic financial statements and have issued our report thereon dated March 21, 2013. Our report was modified to include a reference to other auditors. We conducted our audit 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. Other auditors audited the financial statements of the Tarrant County Hospital District and the Mental Health and Mental Retardation of Tarrant County, as described in our report on Tarrant County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control over Financial Reporting

Management of Tarrant County is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Tarrant County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Tarrant County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Tarrant County's internal control over financial reporting.

A deficiency in internal control over financial reporting 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 combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.



Compliance and Other Matters

As part of obtaining reasonable assurance about whether Tarrant 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*.

This report is intended solely for the information and use of management, the Commissioners' Court, others within the entity, federal and state awarding agencies, and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

KPMG LLP

March 21, 2013



KPMG LLP
Suite 3100
717 North Harwood Street
Dallas, TX 75201-6585

Independent Auditors' Report on Compliance with Requirements that could have a Direct and Material Effect on Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and Uniform Grant Management Standards and on Schedule of Expenditures of Federal and State Awards

The Honorable County Judge
and the Commissioners' Court:

Compliance

We have audited Tarrant County, Texas' (Tarrant County) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the State of Texas Uniform Grant Management Standards (UGMS) that could have a direct and material effect on each of Tarrant County's major federal and state programs for the year ended September 30, 2012. Tarrant County's major federal and state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Tarrant County's management. Our responsibility is to express an opinion on Tarrant County's compliance based on our audit.

Tarrant County's basic financial statements include the operations of the Tarrant County Hospital District (TCHD) and the Mental Health and Mental Retardation of Tarrant County (MHMRTC), which received federal awards that are not included in the schedule during the year ended September 30, 2012. Our audit, described below, did not include the operations of the TCHD or the MHMRTC, because they engaged other auditors to perform an audit in accordance with OMB Circular A-133 and/or UGMS.

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 UGMS. Those standards, OMB Circular A-133, and UGMS 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 or state program occurred. An audit includes examining, on a test basis, evidence about Tarrant 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. Our audit does not provide a legal determination of Tarrant County's compliance with those requirements.

As described in finding 2012-01 in the accompanying schedule of findings and questioned costs, Tarrant County did not comply with the requirement regarding Special Tests – Utility Allowances that is applicable to its Housing Choice Voucher-Section 8 Program. Compliance with such requirement is necessary, in our opinion, for Tarrant County to comply with the requirements applicable to that program.



In our opinion, except for the noncompliance described in the preceding paragraph, Tarrant County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended September 30, 2012. The results of our auditing procedures also disclosed other instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 2012-2, 2012-3, 2012-4, and 2012-5.

Internal Control over Compliance

Management of Tarrant County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal and state programs. In planning and performing our audit, we considered Tarrant County's internal control over compliance with the requirements that could have a direct and material effect on a major federal or state program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and UGMS, 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 Tarrant 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 significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

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 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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2012-01, 2012-02, 2012-03, and 2012-05 to be material weaknesses.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2012-04, 2012-06, and 2012-07 to be significant deficiencies.



Schedule of Expenditures of Federal and State Awards

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Tarrant County as of and for the year ended September 30, 2012, and have issued our report thereon dated March 21, 2013, which contained unqualified opinions on those financial statements. Our report was modified to include a reference to other auditors. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Tarrant County's basic financial statements. We have not performed any procedures with respect to the audited financial statements subsequent to March 21, 2013. 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 UGMS and is not a required part of the 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 or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal and state awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Tarrant County's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit Tarrant County's responses and, accordingly, we express no opinion on the responses.

This report is intended solely for the information and use of management, the Commissioners' Court, others within the entity, federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

KPMG LLP

April 25, 2013, except for the paragraph related to the schedule of Expenditures of Federal and State Awards, which is as of March 21, 2013.

TARRANT COUNTY, TEXAS
Schedule of Expenditures of Federal and State Awards
Year ended September 30, 2012

Federal or state grantor/ pass-through grantor program title	CFDA number	Grant/ contract number	Federal/State expenditures	Federal amounts passed- through to subrecipients
American Recovery and Reinvestment Act Funds:				
U.S. Department of Housing and Urban Development :				
Direct:				
ARRA – Community Development Block Grant – ARRA Entitlement Grants	14.253	B09-UY-48-0001	\$ 55,587	—
ARRA – Homelessness Prevention and Rapid Re-Housing Program – Recovery Act Funded	14.257	S09-UY-48-0001	161,373	79,824
Indirect:				
City of Fort Worth, Texas:				
ARRA – Homelessness Prevention and Rapid Re-Housing Program – Recovery Act Funded	14.257	N/A	(4)	—
U.S. Department of Justice:				
Indirect:				
City of Fort Worth, Texas:				
ARRA – Edward Byrne Memorial Justice Assistance Grant Program/Grants to Units of Local Gov't	16.804	2009-SB-B9-1479	52,110	—
U.S. Department of Energy:				
Direct:				
ARRA – Energy Efficiency and Conservation Block Grant Program (EECBG)	81.128	EE0000908	750,920	—
U.S. Department of Health and Human Services:				
Indirect:				
Texas Department of State Health Services:				
ARRA – Prevention and Wellness-state, Territories and Pacific Islands (Mother Friendly Worksite Initiative)	93.723	2011-038068-001	7,937	—
Total American Recovery and Reinvestment Act			1,027,923	79,824
U.S. Department of Agriculture:				
Direct:				
National School Lunch Program	10.555	75L3024	126,504	—
Indirect:				
Texas Department of State Health Services:				
Special Supplemental Nutrition Program for Women, Infants and Children	10.557	2011-037245-001	18,757	—
Special Supplemental Nutrition Program for Women, Infants and Children	10.557	2012-039951-001	8,253,505	—
Total U.S. Department of Agriculture			8,398,766	—
U.S. Department of Housing and Urban Development:				
Direct:				
Community Development Block Grants/Entitlement Grants – 34th Year	14.218	B08-UC-48-0001	136,605	—
Community Development Block Grants/Entitlement Grants – 35th Year	14.218	B09-UC-48-0001	261,147	—
Community Development Block Grants/Entitlement Grants – 36th Year	14.218	B10-UC-48-0001	913,643	—
Community Development Block Grants/Entitlement Grants – 37th Year	14.218	B11-UC-48-0001	2,110,858	—
Community Development Block Grants/Entitlement Grants – 38th Year	14.218	B12-UC-48-0001	146,669	8,959
Subtotal 14.218			3,568,922	8,959
Community Development Block Grants/State's Program and Non-Entitlement Grants (NSP)	14.228	B08-UN-48-0002	390,332	328,183
Emergency Solutions Grants Program – 36th Year	14.231	S-10-UC-48-0001	3,970	3,574
Emergency Solutions Grants Program – 37th Year	14.231	S-11-UC-48-0001	96,926	89,360
Emergency Solutions Grants Program – 38th Year	14.231	E-12-UC-48-0001	12,815	12,815
Subtotal 14.231			113,711	105,749
Supportive Housing Program – 15th Year	14.235	TX0102B6T010802	23,547	23,547

TARRANT COUNTY, TEXAS
Schedule of Expenditures of Federal and State Awards
Year ended September 30, 2012

Federal or state grantor/ pass-through grantor program title	CFDA number	Grant/ contract number	Federal/State expenditures	Federal amounts passed- through to subrecipients
Supportive Housing Program – 15th Year	14.235	TX0115B6T010802	\$ 7,359	7,359
Supportive Housing Program – 15th Year	14.235	TX0104B6T010802	6	—
Supportive Housing Program – 16th Year	14.235	TX0102B6T011003	80,199	75,550
Supportive Housing Program – 16th Year	14.235	TX0114B6T011003	90,304	85,007
Supportive Housing Program – 16th Year	14.235	TX0093B6T011003	82,840	80,122
Supportive Housing Program – 16th Year	14.235	TX0094B6T011003	51,649	49,355
Supportive Housing Program – 16th Year	14.235	TX0100B6T011003	17,414	16,622
Supportive Housing Program – 16th Year	14.235	TX0097B6T011003	15,650	14,835
Supportive Housing Program – 16th Year	14.235	TX0115B6T011003	56,113	52,444
Supportive Housing Program – 16th Year	14.235	TX0116B6T011003	104,871	98,390
Supportive Housing Program – 16th Year	14.235	TX0112B6T011803	106,864	101,962
Supportive Housing Program – 16th Year	14.235	TX0104B6T011003	300,065	286,937
Supportive Housing Program – 16th Year	14.235	TX0113B6T011003	418,271	331,526
Supportive Housing Program – 16th Year	14.235	TX0119B6T011003	68,092	63,923
Supportive Housing Program – 16th Year	14.235	TX0101B6T011003	16,110	15,973
Supportive Housing Program – 16th Year	14.235	TX0105B6T011003	118,805	113,909
Supportive Housing Program – 17th Year	14.235	TX0114B6T011104	17,961	17,641
Supportive Housing Program – 17th Year	14.235	TX0093B6T011104	82,984	78,185
Supportive Housing Program – 17th Year	14.235	TX0094B6T011104	52,361	49,740
Supportive Housing Program – 17th Year	14.235	TX0100B6T011104	5,236	5,236
Supportive Housing Program – 17th Year	14.235	TX0097B6T011104	10,258	9,930
Supportive Housing Program – 17th Year	14.235	TX0104B6T011104	29,377	29,377
Supportive Housing Program – 17th Year	14.235	TX0113B6T011104	624,233	455,393
Supportive Housing Program – 17th Year	14.235	TX0101B6T011104	32,150	30,615
Supportive Housing Program – 17th Year	14.235	TX0105B6T011104	115,726	109,198
Supportive Housing Program – 17th Year	14.235	TX0287B6T011000	65,490	62,075
Supportive Housing Program – 17th Year	14.235	TX0259B6T010900	39,814	38,055
Subtotal 14.235			2,633,749	2,302,906
Home Investment Partnerships Program – 16th Year	14.239	M07-DC-48-0200	43,384	—
Home Investment Partnerships Program – 17th Year	14.239	M08-DC-48-0200	23,776	—
Home Investment Partnerships Program – 18th Year	14.239	M09-DC-48-0200	230,826	—
Home Investment Partnerships Program – 19th Year	14.239	M10-DC-48-0200	1,548,793	—
Home Investment Partnerships Program – 20th Year	14.239	M11-DC-48-0200	4,000	—
Subtotal 14.239			1,850,779	—
Housing Opportunities for Persons with AIDS	14.241	TX-H080014	158,667	154,634
Housing Opportunities for Persons with AIDS	14.241	TX-H110026	160,032	155,525
Subtotal 14.241			318,699	310,159
Section 8 Housing Choice Vouchers – Administrative Reserve	14.871	N/A	1,076	—
Section 8 Housing Choice Vouchers – Administration (CY11)	14.871	TX21V431000082	383,211	—
Section 8 Housing Choice Vouchers – Administration (CY12)	14.871	TX21V431000082	1,148,435	—
Section 8 Housing Choice Vouchers – Portability	14.871	TX21V431000082	1,349,142	—
Section 8 Housing Choice Vouchers(CY06)	14.871	TX21V431000082	(2,699)	—
Section 8 Housing Choice Vouchers(CY07)	14.871	TX21V431000082	(6,125)	—
Section 8 Housing Choice Vouchers(CY08)	14.871	TX21V431000082	652	—

TARRANT COUNTY, TEXAS
Schedule of Expenditures of Federal and State Awards
Year ended September 30, 2012

Federal or state grantor/ pass-through grantor program title	CFDA number	Grant/ contract number	Federal/State expenditures	Federal amounts passed- through to subrecipients
Section 8 Housing Choice Vouchers(CY09)	14.871	TX21V431000082	\$ 2,794	—
Section 8 Housing Choice Vouchers(CY10)	14.871	TX21V431000082	4,086	—
Section 8 Housing Choice Vouchers(CY11)	14.871	TX21V431000082	4,313,225	—
Section 8 Housing Choice Vouchers(CY12)	14.871	TX21V431000082	13,093,139	—
Section 8 Housing Choice Vouchers – Disaster Voucher Program	14.871	TX431DH0001	(5,173)	—
Subtotal 14.871			20,281,763	—
Public Housing Family Self Sufficiency (CY11)	14.877	TX431FSH005	21,649	—
Public Housing Family Self Sufficiency (CY12)	14.877	TX431FSH006	146,194	—
Subtotal 14.877			167,843	—
Disaster Voucher Assistance – IKE	14.000	TX431	3,800	—
Indirect:				
Texas Department of State Health Services:				
Housing Opportunities for Persons with AIDS	14.241	2011-037675-001	42,952	42,952
Housing Opportunities for Persons with AIDS	14.241	2012-040635-001A	63,134	63,134
Housing Opportunities for Persons with AIDS	14.241	2013-041148-010	8,168	8,168
Subtotal 14.241			114,254	114,254
Total U.S. Department of Housing and Urban Development			29,443,852	3,170,210
U.S. Department of Justice:				
Direct:				
Equitable Sharing Program (asset Forfeiture Funds)-Sheriff	16.000	N/A	31,779	—
State Criminal Alien Assistance Program (S.C.A.A.P.)	16.606	2012-AP-BX-0051	363,277	—
DNA Backlog Reduction Program	16.741	2010-DN-BX-K052	36,015	—
DNA Backlog Reduction Program	16.741	2011-DN-BX-K406	95,500	—
Subtotal 16.741			131,515	—
Paul Coverdell Forensic Sciences Improvement Grant Program	16.742	2011-CD-BX-0098	4,152	—
Paul Coverdell Forensic Sciences Improvement Grant Program (Pathology/Histology Backlog Reduction Program)	16.742	CD-11-A10-25258-01	33,223	—
Subtotal 16.742			37,375	—
Second Chance Act Prisoner Reentry Initiative	16.812	2011-RY-BX-K009	30,685	—
Indirect:				
Mental Health Mental Retardation of Tarrant County:				
Crime Victim Assistance	16.575	E121879-2011-DC-BX-0037	49,363	—
Texas Criminal Justice Division:				
Juvenile Accountability Block Grants -coordinated Enforcement Plan	16.523	JB-10-J20-13287-13	155,354	—
Juvenile Accountability Block Grants -coordinated Enforcement Plan	16.523	JB-11-J20-13287-14	36,021	—
Subtotal 16.523			191,375	—
Crime Victim Assistance	16.575	VA-11-V30-13739-13	24,522	—
Crime Victim Assistance	16.575	VA-12-V30-13739-14	4,121	—
Crime Victim Assistance	16.575	VA-11-V30-24617-01	39,895	—
Crime Victim Assistance	16.575	VA-12-V30-24617-02	4,473	—
Subtotal 16.575			73,011	—
Violence Against Women Formula Grants (VAWA – Protective Order Unit)	16.588	WF-11-V30-13737-13	37,897	—

TARRANT COUNTY, TEXAS
Schedule of Expenditures of Federal and State Awards
Year ended September 30, 2012

Federal or state grantor/ pass-through grantor program title	CFDA number	Grant/ contract number	Federal/State expenditures	Federal amounts passed- through to subrecipients
Violence Against Women Formula Grants (VAWA – Protective Order Unit)	16.588	WF-12-V30-13737-14	\$ 3,401	—
Violence Against Women Formula Grants (Domestic Violence – Pretrial Diversion)	16.588	WF-11-V30-15136-13	68,675	—
Violence Against Women Formula Grants (Domestic Violence – Pretrial Diversion)	16.588	WF-12-V30-15136-14	10,510	—
Subtotal 16.588			<u>120,483</u>	<u>—</u>
Edward Byrne Memorial Justice Assistance Grant (Veteran’s Court – JAG)	16.738	DJ-10-A10-22852-03	229,722	—
Edward Byrne Memorial Justice Assistance Grant (Substance Abuse Felony Punishment Facility)	16.738	DJ-10-A10-24021-02	38,050	—
Edward Byrne Memorial Justice Assistance Grant (Substance Abuse Felony Punishment Facility)	16.738	DJ-10-A10-24021-02	4,811	—
Edward Byrne Memorial Justice Assistance Grant (Felony Alcohol Intervention Program)	16.738	DJ-10-A10-20458-04	8,838	—
Subtotal 16.738			<u>281,421</u>	<u>—</u>
City of Fort Worth, Texas:				
Edward Byrne Memorial Justice Assistance Grant (Mental Health Liaison Program)	16.738	2009-DJ-BX-1379	76,562	—
Edward Byrne Memorial Justice Assistance Grant (Mental Health Liaison Program)	16.738	2010-DJ-BX-0164	709	—
Edward Byrne Memorial Justice Assistance Grant (Adult Drug Court)	16.738	2009-DJ-BX-1379	67,033	—
Edward Byrne Memorial Justice Assistance Grant (Adult Drug Court)	16.738	2010-DJ-BX-0164	12,444	—
Subtotal 16.738			<u>156,748</u>	<u>—</u>
Total U.S. Department of Justice			<u>1,467,032</u>	<u>—</u>
U.S. Department of Transportation:				
Indirect:				
Texas Department of Transportation:				
Highway Planning and Construction – Courtesy Patrol Program	20.205	02-1XXF5001	(16)	—
Highway Planning and Construction – Courtesy Patrol Program	20.205	02-2XXF5002	1,105,400	—
Total U.S. Department of Transportation			<u>1,105,384</u>	<u>—</u>
U.S. Environmental Protection Agency:				
Indirect:				
Ch2mhill:				
Water Security Training and Technical Assistance and Water Security Initiative Contamination Warning System Pilots	66.478	945331	74,680	—
Total U.S. Environmental Protection Agency			<u>74,680</u>	<u>—</u>
U.S. Election Assistance Commission:				
Indirect:				
State of Texas Elections Division:				
Help America Vote Act Requirements Payments (general Title III HAVA Compliance)	90.401	N/A	40,877	—
Total U.S. Election Assistance Commission			<u>40,877</u>	<u>—</u>
U.S. Department of Health and Human Services:				
Direct:				
Coordinated Services & Access to Research for Women, Infants, Children and Youth (Ryan White Part D)	93.153	5-H12HA08504-05-00	382,735	275,970
Coordinated Services & Access to Research for Women, Infants, Children and Youth (Ryan White Part D)	93.153	1-H12HA24819-01-00	12,974	4,458
Subtotal 93.153			<u>395,709</u>	<u>280,428</u>
HIV Emergency Relief Project Grants (Ryan White Part A)	93.914	2-H89HA00047-16-01	1,921,678	1,234,555
HIV Emergency Relief Project Grants (Ryan White Part A)	93.914	2-H89HA00047-17-01	1,960,632	1,393,176
Subtotal 93.914			<u>3,882,310</u>	<u>2,627,731</u>

TARRANT COUNTY, TEXAS
Schedule of Expenditures of Federal and State Awards
Year ended September 30, 2012

Federal or state grantor/ pass-through grantor program title	CFDA number	Grant/ contract number	Federal/State expenditures	Federal amounts passed- through to subrecipients
Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease (Ryan White Part C)	93.918	5-H76HA00123-20-01	\$ 163,630	81,809
Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease (Ryan White Part C)	93.918	6-H76HA00123-21-05	577,943	302,450
Subtotal 93.918			741,573	384,259
Indirect:				
National Association of County and City Health Officials:				
Centers for Disease Control & Prevention – Investigations & Technical Assistance	93.283	2010-092006	(276)	—
Centers for Disease Control & Prevention – Investigations & Technical Assistance	93.283	2011-092605	282,401	—
Subtotal 93.283			282,125	—
Medical Reserve Corps Small Grant Program				
Texas Department of Family and Protective Services:				
Promoting Safe and Stable Families – CYD Project – FY2012	93.556	23792901	230,691	168,550
Promoting Safe and Stable Families – CYD Project – FY2013	93.556	23792901	4,903	—
Subtotal 93.556			235,594	168,550
Foster Care Title IV-E (Child Protective Services)				
Foster Care Title IV-E (District Attorney)	93.658	23380600	112,419	—
Foster Care Title IV-E (District Attorney)	93.658	23380599	54,130	—
Foster Care Title IV-E (District Attorney)	93.658	23941256	156,385	—
Subtotal 93.658			322,934	—
Office of the Attorney General:				
Grants to States for Access and Visitation Programs	93.597	11-C0108	48,692	—
Grants to States for Access and Visitation Programs	93.597	13-C0109	4,750	—
Subtotal 93.597			53,442	—
Texas Department of Health and Human Services:				
Medical Assistance Program (Medicaid Administrative Claims)	93.778	7560011706-OE-01	262,594	—
Texas Juvenile Probation Commission:				
Foster Care Title IV-E (Juvenile Services)	93.658	TJPC-E-2009-220	331,460	—
The Task Force for Global Health:				
Centers for Disease Control & Prevention – Investigations & Technical Assistance	93.283	ISDS-0909-01	28,049	—
Texas Department of State Health Services:				
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	2012-040151-001A	231,171	—
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	2013-041148-014	49,293	—
Subtotal 93.116			280,464	—
Immunization Cooperative Agreements				
Immunization Cooperative Agreements	93.268	2011-036505-001	(70)	—
Immunization Cooperative Agreements	93.268	2012-039628-001	627,933	—
Immunization Cooperative Agreements	93.268	2013-041148-011	123,443	—
Subtotal 93.268			751,306	—
National Bioterrorism Hospital Preparedness Program				
National Bioterrorism Hospital Preparedness Program	93.889	2011-038398-001	23,849	—
National Bioterrorism Hospital Preparedness Program	93.889	2013-041148-001	1,476	—
Subtotal 93.889			25,325	—

TARRANT COUNTY, TEXAS
Schedule of Expenditures of Federal and State Awards
Year ended September 30, 2012

Federal or state grantor/ pass-through grantor program title	CFDA number	Grant/ contract number	Federal/State expenditures	Federal amounts passed- through to subrecipients
Public Health Emergency Preparedness	93.069	2011-038668-001	\$ 158,222	—
Public Health Emergency Preparedness	93.069	2013-041148-002	6,265	—
Public Health Emergency Preparedness	93.069	2010-035863-001	(74)	—
Public Health Emergency Preparedness	93.069	2011-038709-001	910,969	—
Public Health Emergency Preparedness	93.069	2013-041148-005	76,231	—
Public Health Emergency Preparedness	93.069	2011-038558-001A	255,606	—
Public Health Emergency Preparedness	93.069	2013-041148-003	10,728	—
Public Health Emergency Preparedness	93.069	2012-040265-001A	115,622	—
Subtotal 93.069			<u>1,533,569</u>	—
Centers for Disease Control & Prevention – Investigations & Technical Assistance	93.283	2011-038116-001	51,793	—
Centers for Disease Control & Prevention – Investigations & Technical Assistance	93.283	2012-041052-001	5,639	—
Subtotal 93.283			<u>57,432</u>	—
Refugee and Entrant Assistance-state Administered Programs	93.566	2011-037261-001	2,394	—
Refugee and Entrant Assistance-state Administered Programs	93.566	2012-039783-001A	950,729	—
Refugee and Entrant Assistance-state Administered Programs	93.566	2013-041148-013	53,239	—
Subtotal 93.566			<u>1,006,362</u>	—
HIV Care Formula Grants (Ryan White Part B)	93.917	2011-037873-001	793,218	568,457
HIV Care Formula Grants (Ryan White Part B)	93.917	2012-040773-001A	529,950	358,647
HIV Care Formula Grants (Ryan White Part B)	93.917	2013-041148-008	94,598	65,487
Subtotal 93.917			<u>1,417,766</u>	<u>992,591</u>
Centers for Disease Control & Prevention – Investigations & Technical Assistance	93.283	2011-038375-001	53,424	—
HIV Prevention Activities-Health Department Based (HIV Prevention)	93.940	2011-037624-001	40,770	—
HIV Prevention Activities-Health Department Based (HIV Prevention)	93.940	2012-040430-001	782,956	—
HIV Prevention Activities-Health Department Based (STD/HIV Operations)	93.940	2011-037544-001A	103,662	—
HIV Prevention Activities-Health Department Based (STD/HIV Operations)	93.940	2012-040464-001B	120,291	—
HIV Prevention Activities-Health Department Based (STD/HIV Operations)	93.940	2013-041148-009	48,308	—
Subtotal 93.940			<u>1,095,987</u>	—
Preventive Health Services-STD Control Grants (STD/HIV Operations)	93.977	2011-037544-001A	(32,690)	—
Preventive Health Services-STD Control Grants (STD/HIV Operations)	93.977	2012-040464-001B	307,016	—
Subtotal 93.977			<u>274,326</u>	—
HIV/AIDS Surveillance	93.944	2011-037583-001	29,041	—
HIV/AIDS Surveillance	93.944	2012-040378-001A	76,074	—
HIV/AIDS Surveillance	93.944	2013-041148-006	9,858	—
Subtotal 93.944			<u>114,973</u>	—
Total U.S. Department of Health and Human Services			<u>13,147,939</u>	<u>4,453,559</u>
U.S. Department of Homeland Security/federal Emergency Management Agency:				
Direct:				
Emergency Food and Shelter National Board Program (Phase XXIX)	97.024	XXIX	30,583	—

TARRANT COUNTY, TEXAS
Schedule of Expenditures of Federal and State Awards
Year ended September 30, 2012

Federal or state grantor/ pass-through grantor program title	CFDA number	Grant/ contract number	Federal/State expenditures	Federal amounts passed- through to subrecipients
Indirect:				
Texas Department of Public Safety – Division of Emergency Management:				
Nonprofit Security Program	97.008	2007-GE-T7-0024	\$ (46,108)	(5,330)
Nonprofit Security Program	97.008	2008-GE-T8-0034	76,252	—
Nonprofit Security Program	97.008	2009-SS-T9-0064	138,635	5,330
Subtotal 97.008			168,779	—
Citizens-community Resilience Innovation Challenge	97.053	2009-SS-T9-0064	14,700	—
State Homeland Security Program -shsp	97.073	2009-SS-T9-0064	175,076	—
Nonprofit Security Program	97.008	2010-SS-T0-0008	546,714	—
Homeland Security Grant Program	97.067	EMW-2011-SS-00019	53,430	—
Pre-disaster Mitigation	97.047	LPDM-FY09-002	421,682	—
Total U.S. Department of Homeland Security/federal Emergency Management Agency			1,410,964	—
Total Federal Financial Assistance			56,117,417	7,703,593
State Financial Assistance:				
Texas Department of State Health Services:				
Direct:				
HIV/State Services	N/A	2012-039165-001	568,198	511,664
HIV/State Services	N/A	2013-041148-007	69,102	67,962
TB/PC-Tuberculosis Control	N/A	2011-035272-001	(32)	—
TB/PC-Tuberculosis Control	N/A	2012-039040-001	557,987	—
TB/PC-Tuberculosis Control	N/A	2013-041148-015	57,497	—
Infectious Disease Control Unit/FLU Lab	N/A	2012-038653-001	4,839	—
Immunization Grants	N/A	2012-039628-001	903,611	—
Healthy Texas Babies/DFCHS	N/A	2012-040627-001	119,301	—
Preventive Health and Health Services Block Grant	N/A	2012-039509-001	286,770	—
Preventive Health and Health Services Block Grant	N/A	2013-041148-004	29,573	—
State-based Comprehensive Breast and Cervical Cancer Early Detection Program	N/A	2010-035494-001	82,248	—
State-based Comprehensive Breast and Cervical Cancer Early Detection Program	N/A	2011-038375-001	1,366	—
Milk & Dairy/ FFS	N/A	2009-028490-001	165,603	—
Influenza Incidence Surveillance Project	N/A	2012-040184-001	1,406	—
Total Texas Department of State Health Services			2,847,469	579,626
Texas Criminal Justice Division:				
Edward Byrne Memorial Justice Assistance Grant (Family Drug Court-JAG)	N/A	DC-12-A10-19697-05	45,973	31,625
Edward Byrne Memorial Justice Assistance Grant (Family Drug Court-JAG)	N/A	DC-13-A10-19697-06	855	—
Edward Byrne Memorial Justice Assistance Grant (Family Drug Court-JAG)	N/A	DC-13-A10-22852-04	16,064	—
Life Skills Training	N/A	SF-13-J20-25540-01	6,533	—
Direct Court Program	N/A	DC-12-A10-16036-11	375,722	—
Direct Court Program	N/A	SF-13-A10-16036-12	30,990	—
Mental Health Diversion Court Program	N/A	SF-12-A10-18289-06	106,106	—
Mental Health Diversion Court Program	N/A	SF-13-A10-18289-07	6,216	—
Felony Alcohol Intervention Program	N/A	SF-12-A10-20458-03	111,549	—
Total Texas Criminal Justice Division			700,008	31,625

TARRANT COUNTY, TEXAS

Schedule of Expenditures of Federal and State Awards

Year ended September 30, 2012

Federal or state grantor/ pass-through grantor program title	CFDA number	Grant/ contract number	Federal/State expenditures	Federal amounts passed- through to subrecipients
Texas Department of Motor Vehicles/Auto Burglary and Theft Prevention Authority:				
Tarrant Regional Auto Crimes Task Force	N/A	SA-T01-10065-11	\$ 1,988	—
Tarrant Regional Auto Crimes Task Force	N/A	SA-T01-10065-12	1,098,512	—
Tarrant Regional Auto Crimes Task Force	N/A	SA-T01-10065-13	63,458	—
Total Department of Motor Vehicles/auto Burglary and Theft Prevention Authority			<u>1,163,958</u>	<u>—</u>
Texas Department of Transportation:				
Highway Planning & Construction – Courtesy Patrol Program	N/A	02-1XXF5001	(4)	—
Highway Planning & Construction – Courtesy Patrol Program	N/A	02-2XXF5002	276,350	—
Total Department of Transportation			<u>276,346</u>	<u>—</u>
Texas Commission on Environmental Quality:				
Indirect:				
North Central Texas Council of Governments:				
Aircheck Texas Repair and Replacement Program	N/A	582-9-90416-18	890,224	890,224
Local Initiatives Projects	N/A	582-8-89958	424,119	—
Total Texas Commission on Environmental Quality			<u>1,314,343</u>	<u>890,224</u>
Texas Health and Human Services Commission:				
Texas Nurse-Family Partnership	N/A	HHSC-529-08-0110-00007D	751,439	—
Texas Nurse-Family Partnership	N/A	HHSC-529-08-0110-00007E	60,796	—
Total Texas Health and Human Services Commission			<u>812,235</u>	<u>—</u>
Office of the Attorney General:				
Bilingual Victims Assistance Coordinator	N/A	1227040	39,037	—
Bilingual Victims Assistance Coordinator	N/A	1333244	4,954	—
V.I.N.E.-Victim Identification and Notification Everyday	N/A	1225192-FY2012	83,130	—
Total Office of the Attorney General			<u>127,121</u>	<u>—</u>
Texas Task Force on Indigent Defense:				
Indigent Defense Formula Grant	N/A	212-11-220	163,763	—
Indigent Defense Formula Grant	N/A	212-12-220	1,221,070	—
Total Texas Task Force on Indigent Defense			<u>1,384,833</u>	<u>—</u>
Texas Veterans Commission Fund:				
Tarrant County Veterans Court	N/A	FVA-11-0021	20,411	—
Total Texas Veterans Commission Fund			<u>20,411</u>	<u>—</u>
Texas Department of Family and Protective Services:				
Promoting Safe and Stable Families – CYD Project – FY2012	N/A	23792901	76,897	56,183
Promoting Safe and Stable Families – CYD Project – FY2013	N/A	23792901	1,634	—
Total Texas Department of Family and Protective Services			<u>78,531</u>	<u>56,183</u>
Total State Financial Assistance			<u>8,725,255</u>	<u>1,557,658</u>
Total Federal and State Financial Assistance			\$ <u>64,842,672</u>	<u>9,261,251</u>

TARRANT COUNTY, TEXAS

Notes to Schedule of Expenditures of Federal and State Awards

Year ended September 30, 2012

(1) Summary of Significant Accounting Policies

The schedule of expenditures of federal and state awards was prepared on the modified accrual basis of accounting. Amounts reported as expenditures in the accompanying schedule of expenditures of federal and state awards may not agree with the amounts reported in the related federal and state financial reports filed with the grantor agencies because of accruals, which would be included in the next report filed with the agency.

TARRANT COUNTY, TEXAS

Schedule of Findings and Questioned Costs

September 30, 2012

Section I – Summary of Auditors’ Reports

Financial Statements

Section I – Summary of Auditors’ Reports

Financial Statements

Type of auditors’ report issued:

Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? yes no
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? yes none reported

Noncompliance material to the financial statements noted?

yes no

Federal and State Awards

Internal control over major programs:

- Material weakness(es) identified? yes no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? yes none reported

Type of auditors’ report issued on compliance for major programs

Qualified, Housing Choice Voucher, Section 8 unqualified, all other major programs

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133 and UGMS?

yes no

TARRANT COUNTY, TEXAS

Schedule of Findings and Questioned Costs

September 30, 2012

<u>CFDA number(s)</u>	<u>Name of federal program or cluster</u>
14.253/14.218	ARRA – Community Development Block Grant/Entitlement Grants
81.128	ARRA – Energy Efficiency Conservation Block Grant
16.804/16.738	ARRA – Edward Byrne Memorial Justice Assistance Grant
14.871	Section 8 Housing Choice Vouchers
14.235	Supportive Housing Program
93.914	HIV Emergency Relief Projects Grant
	<u>Name of state program or cluster</u>
	Preventive Health and Health Services Block Grant
	Local Initiative Projects
	Indigent Defense Formula Grant
	Aircheck Texas Repair and Replacement Program
	Tarrant Regional Auto Crimes Task Force
	HIV/State Services

Dollar threshold used to distinguish between type A and type B programs:

Federal \$1,683,523
State 300,000

Auditee qualified as low-risk auditee?

(Federal) ___ yes X no
(State) ___ yes X no

Section II – Financial Statement Findings

None noted.

TARRANT COUNTY, TEXAS

Schedule of Findings and Questioned Costs

September 30, 2012

Section III – Federal and State Awards Findings and Questioned Costs

Program Name: Housing Choice Voucher – Section 8 Program

Award Number and Expenditures: 14.871; \$20,281,763

Federal Award Number(s)

TX21V431000082, TX431AFHV03, TX431DH0001, TX431FU1001

Finding 2012-01: Special Test – Utility Allowance Schedules

Criteria or Specific Requirement

Public Housing Agencies (PHAs) must maintain a utility allowance schedule for all tenant-paid utilities (except telephone), for costs of tenant-supplied refrigerators and ranges, and for other tenant-paid housing services. (24 CFR Section 982.517(a)).

A PHA must review its schedule of utility allowances each year, and must revise its allowance for a utility category if there has been a change of 10% or more in the utility rate since the last time the utility allowance schedule was revised. The PHA must maintain information supporting its annual review of utility allowances and any revisions made in its utility allowance schedule.

Condition

A review of Tarrant County’s utility rate schedule was not performed within 12 months of the most recent review. The most recent review was performed during May 2011.

Questioned Costs

None

Possible Asserted Cause and Effect

Management has chosen to outsource, to a third party, the annual review of utility rate schedule and accompanying data. The external third party performs the analysis at the request of management and issues a report indicating whether a change in the utility allowance schedule is necessary. A review of the 2010 and 2011 utility rates was performed by the external party and a report issued during May 2011.

During January 2012, the third party provided management with a copy of the previously issued report and the accompanying utility rate data utilized during that review. Management mistakenly considered the second submission of the May 2011 report to be a new report comparing 2011 and 2012 utility rates. Thus, a review comparing the 2011 and 2012 utility rates was not requested by management nor performed by the third party.

TARRANT COUNTY, TEXAS

Schedule of Findings and Questioned Costs

September 30, 2012

Recommendation

We recommend that management strengthen its current processes and controls to ensure that a review of the utility rates is performed at least once every 12 months and the accompanying information supporting the review is adequately maintained. Further, we recommend that the review occur just prior to the beginning of each fiscal year to ensure that the appropriate utility rates are utilized for the entire fiscal year.

View of the Responsible Officials

Tarrant County will have all reviews conducted between July and September each year for the fiscal year beginning on October 1st. This should eliminate any confusion about a review being prepared for each year.

Contact: Wayne Pollard, Jr., Director of Housing, 817-531-7654

TARRANT COUNTY, TEXAS

Schedule of Findings and Questioned Costs

September 30, 2012

Program Name: Housing Choice Voucher – Section 8 Program

Award Number and Expenditures: 14.871; \$20,281,763

Federal Award Number

TX21V431000082, TX431DH0001

Finding 2012-02: Allowable Costs

Criteria or Specific Requirement

Per OMB Circular A-87, Attachment A, Paragraph E, typical direct costs chargeable to federal awards include compensation of employees for the time devoted and identified specifically to the performance of those awards.

Condition

During the current year, an employee who previously worked solely on this major program transferred to a position within the County that was not funded by this major program. At the time of the transfer, the employee’s salary and related benefits should no longer have been charged to this major program. However, the employee’s salary and related benefits continued to be charged to the grant although the employee was no longer working on grant-related activities. This continued for the last three months of the current fiscal year.

Questioned Costs

\$13,579

Biweekly salary rate	\$	1,549
Pay periods incorrectly charged		7/7 – 9/30 (6 pay cycles)
Total salary	\$	9,294
Benefits		4,285
Total salary and benefits	\$	<u>13,579</u>

Possible Asserted Cause and Effect

Management failed to design and implement adequate controls to ensure that once the employee transferred to a position that was no longer grant funded, the employee’s salary and related benefits were the employee’s no longer charged to the program.

Recommendation

We recommend that management strengthen its processes and controls to help to ensure the payroll costs charged to the grant relate to direct costs for the time of only employees devoted and identified specifically to the performance of those awards.

TARRANT COUNTY, TEXAS

Schedule of Findings and Questioned Costs

September 30, 2012

View of the Responsible Officials

Tarrant County discovered the error related to this finding during a routine analysis that occurs when a grant ends and made the correcting entry noted in the questioned costs.

In the normal course of employee transfers, the salary is charged to the new fund or grant on the transfer date. However, this was not a normal transfer. This particular issue was complicated because the employee turned in a resignation letter and did not inform the department that they were transferring, just that they were quitting. Therefore, Human Resources received termination paperwork on this employee. When an employee terminates, the normal process is to move that employee into a default position and to code a special info-type 27 to the fund, grant, and cost center where the employee terminated from. This allows the final check and benefit payoff to be coded correctly, while allowing the department to fill the vacated position. Normally, the only staff with coding on info-type 27 are either retired or withdrawn from County employment. When this employee was rehired, the fact that they had an info-type 27 override was overlooked.

The County has taken steps to retrain the Human Resource and Payroll staff involved. Additional procedures have been implemented as well. A query has been created to search for info-type 27 and employment status of "active". Additionally, Auditor's Office staff will remind to Department Grant Managers to review the Position Control Report periodically for errors.

Contact: Suzanne McKenzie, Grant and Financial Reporting Manager, 817-884-1014

TARRANT COUNTY, TEXAS

Schedule of Findings and Questioned Costs

September 30, 2012

Program Name: Edward Byrne Memorial Justice Assistance Grant Program Cluster

Award Number(s) and Expenditures: 16.738; 16.804; \$490,279

Federal Award Number(s):

2009-SB-B9-1479, DJ-10-A10-22852-03, DJ-10-A10-24021-02, DJ-10-A10-20458-04, 2009-DJ-BX-1379, 2010-DJ-BX-0164

Finding 2012-03: Activities Allowed/Allowable Costs – Semiannual Certifications of Work

Criteria or Specific Requirement

Per OMB Circular A-87, Attachment B, Section 8(h)(3) where employees are expected to work solely on a single federal award or cost objective, charges for their salaries and wages will be supported by periodic certifications that the employees worked solely on that program for the period covered by the certification. These certifications will be prepared at least semiannually and will be signed by the employee or supervisory official having firsthand knowledge of the work performed by the employee.

Condition

We note that one employee signed a Grant Personnel Activity Report, which detailed the time worked and the relevant activities. However, the column for Grant # was not populated on the Grant Personnel Activity Report. The certification was therefore incomplete as there was no support that the time represented should have been allocated to the federal program. Although, the Grant Personnel Activity Report included a location for the supervisor to sign the report, the report was not signed by the supervisor.

The employee was employed by the County for approximately nine months of the fiscal year. The employee charged 100% of her salary and related benefits to this program during that time.

Questioned Costs

\$36,821 (Total related salary and benefits for 9 months)

Possible Asserted Cause and Effect

Management failed to design and implement an adequate control environment to ensure that all employees who work solely on a single federal award or cost objective complete periodic certifications and those certifications are reviewed by a supervisory official having firsthand knowledge of the work performed by the employee. This deficiency increases the risk of noncompliance and potential questioned costs.

Recommendation

We recommend management design and implement adequate controls to ensure that all employees who work solely on a single federal award or cost objective complete certifications at least semiannually and those certifications are reviewed by a supervisory official with firsthand knowledge of the work performed by the employee.

TARRANT COUNTY, TEXAS

Schedule of Findings and Questioned Costs

September 30, 2012

View of the Responsible Officials

Controls are in place for all grant employees working solely on a single Federal award or cost objective to complete certifications at least semi-annually. The certifications are signed by the employee or the supervisory official having first-hand knowledge of the work performed by the employee, as required in OMB Circular A-87, Attachment B, Section 8(h)(3).

All grant program supervisors have been reminded that the grant program must be identified on the Activity Report.

Contact: Patti Shosid, Grant Manager, 817-884-1009

TARRANT COUNTY, TEXAS

Schedule of Findings and Questioned Costs

September 30, 2012

Program Name(s): Energy Efficiency and Conservation Block Grant Program (EECBG), Community Development Block Grant (CDBG)

Award Number and Expenditures:	81.128;	\$750,920	(EECBG)
	14.253 / 14.218	\$3,624,509	(CDBG)

Federal Award Number(s):

EECBG

EE0000908

CDBG

B08-UC-48-0001, B09-UC-48-0001, B10-UC-48-0001, B11-UC-48-0001, B12-UC-48-0001, B09-UY-48-0001

Finding 2012-04: Davis-Bacon Act

Criteria or Specific Requirement

In accordance with 29 CFR 5.5(a)(3)(ii), the contractor shall submit weekly for each week in which any contract work is performed a copy of all payrolls. The payrolls submitted shall set out accurately and completely all of the information required to be maintained under 29 CFR 5.5(a)(3)(i). The required weekly payroll information may be submitted in any form desired.

Condition

EECBG

We noted that certified payroll reports were not received on a weekly basis for six out of ten certified payroll reports selected for test work.

CDBG

We noted that certified payroll reports were not received on a weekly basis for twenty-four out of forty certified payroll reports selected for test work.

Questioned Costs

None

Possible Asserted Cause and Effect

Management failed to design and implement adequate controls to ensure that contractor submitted the certified payrolls weekly for any week in which contract work was performed. Rather, management designed a process to ensure the weekly payrolls were submitted at the end of the project and prior to payment.

Recommendation

We recommend that management design and implement adequate controls to ensure that the weekly certified payrolls are received weekly for any contracts in which contract work was performed.

TARRANT COUNTY, TEXAS

Schedule of Findings and Questioned Costs

September 30, 2012

View of the Responsible Officials

EECBG – This was the first grant managed by the facilities department. While they did extensive research to ensure compliance with all requirements, including the Davis-Bacon Act, the department required the contractor to provide the payroll information with the monthly pay applications (in lieu of the weekly submittals). The department was reviewed twice by the granting agency and was of the opinion that they were in compliance. Should the department accept future grants subject to the Davis-Bacon Act they will require weekly payrolls.

Contact: David Phillips, Facilities Management Director, 817-884-3344

CDBG – Tarrant County Community Development has always checked the certified payrolls when payment is requested by the contractor. This conforms to HUD guidance and streamlining efforts (<http://www.hud.gov/offices/olr/streamline.cfm>). In this document, Item #7 recommends that we discontinue the dating and initialing of each certified payroll when reviewed. Guidance states, “As with date stamping, this practice was found not to have a benefit that equaled the effort required. What is important is that the payrolls and related submissions are reviewed and any discrepancies are corrected”.

On March 8, 2010 HUD sent a Labor Relations Specialist to Tarrant County Community Development to perform a review of our administration and enforcement of Federal labor standard requirements. A sample of construction contracts, payrolls and employee interviews were provided by Tarrant County Community Development and examined by the Office of Labor Relations. We received a report dated March 25, 2010 stating that, “We conclude Tarrant County’s administration and enforcement of the Federal labor standards requirements is adequate”. Tarrant County currently has the same internal controls that existed during the time of this HUD monitoring. This indicates that we are in compliance with HUD regulations.

Contact: Patricia Ward, Director of Community Development and Housing, 817-850-7940

TARRANT COUNTY, TEXAS

Schedule of Findings and Questioned Costs

September 30, 2012

Program Name: HIV Emergency Relief Projects Grants

Award Number and Expenditures: 93.914; \$3,882,310

Federal Award Number(s):

2-H89HA00047-16-01; 2-H89HA00047-17-01

Finding 2012-05: Subaward Reporting under the Transparency Act

Criteria or Specific Requirement

In accordance with 2 CFR Part 170, grant and cooperative agreement recipients and contractors are required to register in the Federal Funding Accountability and Transparency Subaward Reporting System (FSRS) and report subaward data through FSRS. The subaward data elements include: subaward date, subawardee DUNS#, amount of subaward, subaward obligation/action date, and subaward number. Information input to FSRS is available at USASpending.gov as the publicly available Website for viewing this information (<http://www.usaspending.gov/subaward-advanced-search>).

Furthermore, effective October 1, 2010, information related to a subaward must be reported by the end of the month following the month in which the subaward or obligation of \$25,000 or greater was made and, for contracts, the month in which a modification was issued that changed previously reported information.

Condition

We noted that the County did not have a formal policy or procedures in place to ensure that each subaward, made on or after October 1, 2010 and with a value of \$25,000 or more, was input into the FSRS system by the end of the month following the month in which the subaward was made. Additionally, we did not observe evidence via our testwork that the subawards, which were subject to reporting under the Transparency Act, were input into FSRS by the required deadline.

Questioned Costs

None

Possible Asserted Cause and Effect

The individual(s) responsible for reporting subaward reporting under the Transparency Act were not aware of the subaward reporting deadlines. As such, the lack of knowledge and the failure to design and implement adequate controls to policies related to subaward reporting increases the risk of noncompliance with the Federal Funding Accountability and Transparency Act.

Recommendation

We recommend that management design and implement controls to ensure that subawards are reported in FSRS by the end of the month following the month in which the subaward or obligation of \$25,000 or greater was made and all of the required information is entered at this time.

TARRANT COUNTY, TEXAS

Schedule of Findings and Questioned Costs

September 30, 2012

View of the Responsible Officials

The Tarrant County Grant Manager will begin to report the sub awards in FSRS. This will be done by the end of the month following the month the Commissioner's Court approves the sub award.

Contact: Patti Shosid, Grant Manager, 817-884-1009

TARRANT COUNTY, TEXAS

Schedule of Findings and Questioned Costs

September 30, 2012

Program Name: AirCheck Texas Repair and Replacement Assistance Program

Award Number and Expenditures: 582-9-90416-18; \$890,224

Finding 2012-06: Subrecipient Monitoring

Criteria or Specific Requirement

A pass-through entity is responsible for ensuring that subrecipients expending \$500,000 or more in state awards during the subrecipient's fiscal year as provided in the Uniform Grants Management Standards (UGMS) have met the audit requirements of UGMS for that fiscal year.

Condition

Management failed to obtain or failed to maintain documentation it obtained the audit performed in accordance with UGMS for the sole subrecipient for this major program. There was no evidence that the single audit report was obtained from the subrecipient during the fiscal year.

Questioned Costs

None

Possible Asserted Cause and Effect

Management failed to adequately design and implement controls to ensure that single audit reports are received from all subrecipients who have expenditures greater than \$500,000 during their fiscal year and have met the requirements of UGMS.

Currently, management utilizes a checklist to assist in the monitoring of subrecipients. However, this checklist does not currently include a mechanism to ensure that single audit reports are received. This deficiency increases the risk of noncompliance with this compliance requirement.

Recommendation

We recommend that management design and implement adequate controls to ensure that single audit reports for all subrecipients with expenditures greater than \$500,000 are received and maintained and verify whether the subrecipients have met the requirements of UGMS.

View of the Responsible Officials

Beginning immediately, the Tarrant County Grant Manager will review the subrecipient monitoring checklist at the beginning of each month to verify all required Single Audits have been received. If not received within eight months of the subrecipient's fiscal year end, a letter will be sent stating that the Single Audit must be received by the Federal Audit Clearinghouse, with a copy to the Tarrant County Auditor's Office, no later than nine months after the year end. We will continue to follow up with the agency until resolution.

Contact: Patti Shosid, Grant Manager, 817-884-1009

TARRANT COUNTY, TEXAS

Schedule of Findings and Questioned Costs

September 30, 2012

Program Name: Local Initiative Projects Binder

Award Number and Expenditures: 582-8-89958; \$424,119

Finding 2012-07: Activities Allowed/Allowable Costs

Criteria or Specific Requirement

Allowable costs must be necessary and reasonable for proper and efficient performance and administration, be allocable to awards under the provisions of the grant, be authorized and not prohibited under state or local laws or regulations, be accorded consistent treatment, not be included as a cost or used to meet cost sharing or matching requirements of any other award in either the current or a prior period except as specifically provided by law.

Condition

During our walkthrough of the controls management designed to prevent noncompliance with the allowable costs/allowable activities compliance requirement for this major program, we tested one transaction to ascertain whether the control was implemented as designed. We noted that there was no evidence that the control was implemented as designed.

Questioned Costs

None

Possible Asserted Cause and Effect

Management failed to retain the supporting documentation that the transaction was actually reviewed and approved to ensure that it was for an allowable cost. This deficiency in implementation of the control increases the risk of noncompliance with this requirement.

Recommendation

We recommend that management ensure that the controls are implemented and operating effectively as they were designed.

View of the Responsible Officials

Tarrant County does have procedures in place to obtain approvals for all processed documents. Staff has been reminded of the importance of ensuring each document has the proper approval prior to processing and releasing payments.

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