

PRINCE GEORGE'S COUNTY , MARYLAND

**REPORT ON SINGLE AUDIT
June 30, 2010**

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**Independent Auditor's 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**

Members of the County Council
Prince George's County, Maryland

We have audited the accompanying 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 Prince George's County, Maryland (the County) as of and for the year ended June 30, 2010, which collectively comprise the County's basic financial statements and have issued our report thereon dated December 29, 2010. We did not audit the component unit financial statements of Prince George's Community College, Revenue Authority of Prince George's County, Prince George's County Housing Authority, Prince George's County Memorial Library and Prince George's Community Television, Inc., which represent 14% of the total assets and 11% of total revenues of the aggregate discretely presented component units as of and for the year ended June 30, 2010. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the above mentioned component units, is based solely on the reports of the 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting as a basis for designing our auditing procedures 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 entity's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the entity's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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. However, we identified certain deficiencies in internal control over financial reporting, described as findings 2010-1 through 2010-4 in the accompanying schedule of findings and responses to be significant deficiencies in internal control over financial reporting. 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.

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*.

We noted certain matters that we reported to management of the County in a separate letter dated December 29, 2010.

The 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 the County's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of management, the audit committee, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Baltimore, Maryland
December 29, 2010

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

Members of the County Council
Prince George's County, Maryland

Compliance

We have audited the compliance of Prince George's County, Maryland (the County) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010. 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. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

The County's basic financial statements also include the operations of the Prince George's Community College, the Prince George's County Board of Education, the Revenue Authority of Prince George's County, the Prince George's County Housing Authority, the Prince George's County Memorial Library and the Prince George's Community Television, Inc., which received federal awards (where applicable), and which are not included in the accompanying schedule of expenditures of federal awards for the year ended June 30, 2010. We were separately engaged to perform and we have separately reported on the results of our audit of the Prince George's County Board of Education. The Prince George's Community College, the Revenue Authority of Prince George's County, the Prince George's County Housing Authority, the Prince George's County Memorial Library and the Prince George's Community Television, Inc reported separately a schedule of expenditures of federal awards and engaged another auditor to perform an audit in accordance with OMB Circular A-133, where applicable.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the County's compliance with those requirements.

As described in items 2010-05, 2010-07 and 2010-08 in the accompanying schedule of findings and questioned costs, the County did not comply with certain requirements applicable to certain major federal programs. Compliance with such requirements is necessary, in our opinion, for the County to comply with the requirements applicable to that program. The following are the compliance requirements, by program, that the County did not comply with:

<u>Finding No:</u>	<u>CFDA#/ Program:</u>	<u>Compliance Requirements:</u>
2010-05	14.218, 14.253 Community Development Block Grant	Sub-recipient Monitoring
2010-05	14.239 Home Investment Partnership	Sub-recipient Monitoring
2010-07	93.778 Medical Assistance	Suspension and Debarment
2010-08	93.778 Medical Assistance	Allowable cost/Activity

In our opinion, except for the noncompliance described in the preceding paragraph, the County complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010.

Internal Control Over Compliance

The management of the County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our 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, 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 the entity's internal control that might be significant deficiencies or material weaknesses as defined below. 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 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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2010-05, 2010-07 and 2010-08 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 a deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2010-06 to be a significant deficiency.

Schedule of Expenditures of Federal Awards

We have audited the accompanying 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 Prince George's County, Maryland (the County) as of and for the year ended June 30, 2010, which collectively comprise the County's basic financial statements and have issued our report thereon dated December 29, 2010. We did not audit the component unit financial statements of Prince George's Community College, Revenue Authority of Prince George's County, Prince George's County Housing Authority, Prince George's County Memorial Library and Prince George's Community Television, Inc., which represent 14% of the total assets and 11% of total revenues of the aggregate discretely presented component units as of and for the year ended June 30, 2010. The federal expenditures, where applicable, for the Revenue Authority, the Board of Education of Prince George's County, the Prince George's Community College, the Housing Authority, the Prince George's Memorial Library and the Prince George's Community Television, Inc, are not included in the accompanying schedule of expenditures and federal awards. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the June 30, 2010 basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

This report is intended solely for the information and use of management, the audit committee, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Clifton Henderson LLP

Baltimore, Maryland
March 30, 2011, except for the Schedule of Expenditures
of Federal Awards which is dated December 29, 2010

PRINCE GEORGE'S COUNTY, MARYLAND
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2010

Federal Agency/Pass-through Entity Program Name	Federal Catalog	Passthrough Number	Federal Expenditure by Program	Total Federal Program Expenditure
<u>U.S. DEPARTMENT OF AGRICULTURE (USDA)</u>				
<u>PASS-THROUGH MARYLAND</u>				
<u>DEPARTMENT OF EDUCATION (MSDE)</u>				
Summer Food Service for Children Summer Food Program	10.559	none	389,024 \$	389,024
Emergency Food Assistance Cluster: Food and Nutrition Services-Donated Commodities Emergency Food Assistance (TFAP)	10.568	none	79,355	
<u>PASS-THROUGH MARYLAND</u>				
<u>DEPARTMENT OF HUMAN RESOURCES (MDHR)</u>				
Food and Nutrition Services-Admin. Emergency Food Assistance (Commodities)	10.569	none	335,017	414,372
<u>PASS-THROUGH MARYLAND</u>				
<u>DEPARTMENT OF HEALTH AND MENTAL HYGIENE (DHMH)</u>				
Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) WIC	10.557	F705N	2,772,097	
WIC Breastfeeding Peer Counseling	10.557	F538	26,250	
WIC Vouchers	10.557	F705N	13,867,896	16,666,243
Child & Adult Food Care Program Child & Adult Care Food Program	10.558	none	34,978	<u>34,978</u>
TOTAL U.S. DEPARTMENT OF AGRICULTURE				<u>17,504,617</u>
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD)</u>				
<u>Direct</u>				
EDI Grants - Special Projects				
EDI Grant	14.246	N/A	140,198	140,198
Community Development Block Grants/Entitlement Grants (CDBG)				
Community Development Block Grant	14.218	N/A	6,574,788	
ARRA - Community Development Block Grant ARRA	14.253	N/A	318,125	6,892,913
Emergency Shelter Grants Program				
Emergency Shelter	14.231	N/A	294,734	294,734
Supportive Housing Program				
Permanent Housing Operating	14.235	N/A	27,817	
Permanent Housing Supportive SVC	14.235	N/A	48,903	
Permanent Housing Admin	14.235	N/A	18,232	
Permanent Housing Leasing	14.235	N/A	281,791	
Transitional Center for Men	14.235	N/A	119,269	
ATOP Transitional Housing-Operating	14.235	N/A	58,238	
ATOP Transitional Housing-Supportive SVC	14.235	N/A	89,773	
ATOP Transitional Housing-Admin	14.235	N/A	23,403	
ATOP Transitional Housing-Lease	14.235	N/A	202,837	
THP - Operating	14.235	N/A	57,122	
THP - Supportive SVC	14.235	N/A	237,486	
THP - Admin	14.235	N/A	40,736	
THP - Leasing	14.235	N/A	666,370	1,871,977
Shelter Plus	14.238	N/A	435,399	435,399

PRINCE GEORGE'S COUNTY, MARYLAND
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2010
(Continued)

Federal Agency/Pass-through Entity Program Name	Federal Catalog	Passthrough Number	Federal Expenditure by Program	Total Federal Program Expenditure
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD)(cont.)</u>				
<u>Direct (cont.)</u>				
Home Investment Partnerships Program (HOME)				
Home Investment Partnerships Program	14.239	N/A	3,378,502 \$	3,378,502
Community Development Block Grants/Entitlement Grants (CDBG)				
NSP	14.256	N/A	1,468,113	
NSP loans	14.256	N/A	7,363,438	8,831,551
Miscellaneous ARRA Grants				
ARRA - HPRP	14.257	N/A	485,286	<u>485,286</u>
<u>PASS-THROUGH MARYLAND</u>				
<u>DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT</u>				
NCI	14.256	MD-NCI-11	1,837,016	1,837,016
Weatherization Assistance for Low-Income Persons				
ARRA - Weatherization Assistance Program	81.042	none	188,177	<u>188,177</u>
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				<u>24,355,753</u>
FEDERAL BUREAU OF INVESTIGATION				
<u>Direct</u>				
Law Enforcement Assistance-Uniform Crime Reports				
Violent Crimes Task Force	16.xxx	N/A	25,348	<u>25,348</u>
TOTAL FEDERAL BUREAU OF INVESTIGATION				25,348
BUREAU OF ALCOHOL, TOBACCO, AND FIREARMS				
<u>Direct</u>				
Edward Byrne Memorial Grants State and Local Enforcement Assistance Discretionary Grants				
BJA Bi-Lingual	16.580	N/A	42,610	
Comp Anti Gang	16.580	N/A	110,386	<u>152,996</u>
TOTAL BUREAU OF ALCOHOL, TOBACCO, AND FIREARMS				152,996

PRINCE GEORGE'S COUNTY, MARYLAND
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2010
(Continued)

Federal Agency/Pass-through Entity Program Name	Federal Catalog	Passthrough Number	Federal Expenditure by Program	Total Federal Program Expenditure
<u>U.S. DEPARTMENT OF JUSTICE (DOJ)</u>				
<u>Direct</u>				
National Institute of Justice, Research, Evaluation and Development Grants				
DEA-MATF	16.560	N/A	51,032	
OCDEF	16.560	N/A	16,279	\$ 67,311
Part E - Developing, Testing and Demonstrating Promising New Programs				
Educational Assessment and Intervention for DJS for Involved Youth	16.541	N/A	67,956	67,956
State Criminal Alien Assistance Program				
SCAPP	16.606	N/A	212,494	212,494
Edward Byrne Memorial Justice Assistance Grant Program				
Bryne Memorial Justice Assistance	16.738	N/A	826,157	
Foreclosure Mortgage Fraud	16.738	N/A	77,937	
E-Citation Initiative (LETC)	16.738	N/A	76,790	980,884
Community-Defined Solutions to Violence Against Women Grant Program				
Domestic Violence Response Team	16.590	N/A	254,637	254,637
Community Prosecution and Project Safe Neighborhoods				
PSN Maryland Exile	16.609	N/A	8,651	8,651
Forensic DNA Backlog Reduction Program				
Rafis DNA Backlog	16.743	N/A	3,863	
Forensic Case DNA Backlog	16.743	N/A	329,940	333,803
Anti-Gang Initiative				
PSN Anti-Gang	16.744	N/A	3,922	3,922
<u>BUREAU OF ALCOHOL, TOBACCO AND FIREARMS (ATF)</u>				
Regional Area Gang Enforcement	16.xxx	N/A	1,522	<u>1,522</u>
Total Direct Payments:				<u>1,931,180</u>
<u>PASS-THROUGH UNIVERSITY OF MARYLAND:</u>				
Edward Byrne Memorial Formula Grant Program				
High Intensity Drug Trafficking Area	16.579	I8PWBP528Z	298,425	298,425

PRINCE GEORGE'S COUNTY, MARYLAND
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2010
(Continued)

Federal Agency/Pass-through Entity Program Name	Federal Catalog	Passthrough Number	Federal Expenditure by Program	Total Federal Program Expenditure
<u>PASS-THROUGH MARYLAND</u>				
<u>CRIME CONTROL & PREVENTION:</u>				
Violence Against Women Formula Grants				
Stop Violence Women	16.588	VAWA-2009-1959	43,190	
DV Intake Advocacy Proj	16.588	VAWA-2008-1472	51,853	
Stop Violence Prosecution	16.588	VAWA-2008-1859	29,245	
Domestic Violence Council	16.588	VAWA-2009-1658	14,924	\$ 139,212
Juvenile Justice and Delinquency Prevention_Allocation To States				
JJDP Teen Court	16.540	none	25,541	
DMC Coordinator	16.540	JJAC-2008-1010	113,161	138,702
Community Conferencing	16.738	none	11,883	11,883
State Victim Assistance Formula Grant Program-Recovery Act				
DV Pros Victim Support	16.801	VARA-2009-1033	87,962	87,962
Edward Byrne Memorial Justice Assistance Grant (JAG) Program				
/ Grants to States and Territories- Recovery Act				
ARRA - Case Management	16.803	BJRA-2009-1060	232,043	
ARRA - Mortgage & Foreclosure Fraud	16.803	none	68,982	
ARRA - Warrant Reduction Overtime	16.803	BJRA-2009-1041	101,638	
ARRA - Gang Intelligence/Security Upgrade	16.803	BJRA-2009-1135	2,441	405,104
Edward Byrne Memorial Justice Assistance Grant (JAG) Program				
/ Grants To Units Of Local Government-Recovery Act				
ARRA - Byrne JAG	16.804	none	509,017	509,017
Maryland Department of Human Resources:				
Victims of Crime	16.575	none	64,670	64,670
Montgomery County, Marland:				
Maryland Regional Gang Initiative	16.580	none	333,037	333,037
Public Safety Partnership & Community Policy Grants				
COPS Technology	16.710	none	2,107,820	
DOJ COPS Technology	16.710	none	259,980	<u>2,367,800</u>
 TOTAL U.S. DEPARTMENT OF JUSTICE				 <u>6,286,992</u>

PRINCE GEORGE'S COUNTY, MARYLAND
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2010
(Continued)

Federal Agency/Pass-through Entity Program Name	Federal Catalog	Passthrough Number	Federal Expenditure by Program	Total Federal Program Expenditure
<u>U.S. DEPARTMENT OF LABOR (DOL)</u>				
<u>PASS-THROUGH SENIOR SERVICES AMERICA, INC. (SSA)</u>				
Senior Community Service Employment Program				
ARRA - Senior Community Service Employment	17.235	none	127,675	\$ 127,675
Senior Aides	17.235	none	660,817	<u>660,817</u>
TOTAL U.S. DEPARTMENT OF LABOR				<u>788,492</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION (DOT)</u>				
<u>PASS-THROUGH MARYLAND</u>				
<u>DEPARTMENT OF TRANSPORTATION (MDOT)</u>				
Federal Transit - Capital Investment Grants				
Section 5309	20.500	none	492,255	
ARRA - Roadway Resurfacing A	20.500	none	234,630	
ARRA - Roadway Resurfacing B	20.500	none	267,414	994,299
Federal Transit Formula Grants				
Ridesharing	20.507	none	244,538	244,538
Formula Grants for Other Than Urbanized Areas				
Section 5311	20.509	none	125,381	125,381
Highway Planning and Construction Cluster				
Suitland Road	20.205	none	1,876,957	
Brock Rd Bridge	20.205	none	14,583	
Ritchie Marlboro	20.205	none	1,923,481	
Brinkley Road Bridge	20.205	none	183,115	
Brandywine Road Bridge	20.205	none	23,906	
Sunnyside Avenue Bridge	20.205	none	121,633	
Commo Road Bridge	20.205	none	74,696	
Livingston Road Bridge	20.205	none	95,363	
Oxon Hill Road Bridge	20.205	none	60,654	
Trip Center	20.205	none	241,653	<u>4,616,041</u>
TOTAL U.S. DEPARTMENT OF TRANSPORTATION				<u>5,980,259</u>
U.S. DEPARTMENT OF TREASURY				
<u>Direct</u>				
Alcohol Tobacco and Firearms Task Force	21.052	N/A	21,094	21,094
TOTAL U.S. DEPARTMENT OF TREASURY				<u>21,094</u>
<u>U.S. EQUAL EMPLOYMENT OPPORTUNITY COMMISSION (EEOC)</u>				
<u>Direct</u>				
Employment Discrimination-State and Local Fair Employ Practices Agcy Con				
U.S. Equal Opportunity Commission Worksharing	30.002	N/A	72,426	72,426
TOTAL U.S. EQUAL EMPLOYMENT OPPORTUNITY COMMISSION				<u>72,426</u>

PRINCE GEORGE'S COUNTY, MARYLAND
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2010
(Continued)

Federal Agency/Pass-through Entity Program Name	Federal Catalog	Passthrough Number	Federal Expenditure by Program	Total Federal Program Expenditure
<u>U.S. ENVIRONMENTAL PROTECTION AGENCY (EPA)</u>				
<u>Direct</u>				
Congressionally Mandated Projects				
Anacostia Phase V	66.202	N/A	201,808 \$	201,808
Targeted Watersheds Grants				
BMP Watershed Model	66.439	N/A	34,436	34,436
EPA LID and Septic Systems	66.606	N/A	428,591	428,591
<u>PASS-THROUGH MARYLAND DEPARTMENT OF ENVIRONMENT (MDE)</u>				
Capitalization Grants for Clean Water State Revolving Funds				
ARRA - Beaverdam Wetland Project	66.458	WQSGG 08 486 16L	170,166	
ARRA - Wynnleigh Road	66.458	WQSG 08-526-16L	272,146	
MD Water Quality Administration	66.458	none	105,600	<u>547,912</u>
TOTAL U.S. ENVIRONMENTAL PROTECTION AGENCY				<u>1,212,747</u>
<u>CORPORATION FOR NATIONAL AND COMMUNITY SERVICE (CNCS)</u>				
<u>Direct</u>				
Foster Grandparent Program				
Foster Grandpartents	94.011	N/A	247,753	247,753
Retired and Senior Volunteer Program				
Community RSVP-Volunteer Expenses	94.002	N/A	34,909	
Community RSVP	94.002	N/A	40,281	<u>75,190</u>
TOTAL CORPORATION FOR NATIONAL AND COMMUNITY SERVICE				<u>322,943</u>
<u>FEDERAL EMERGENCY MANAGEMENT AGENCY (FEMA)</u>				
<u>Direct</u>				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)				
Snow Emergency	97.036	N/A	2,413,568	2,413,568
<u>PASS-THROUGH MARYLAND EMERGENCY MANAGEMENT AGENCY(MEMA):</u>				
Food and Shelter National Board Program				
Emergency Management	83.503	none	93,955	<u>93,955</u>
TOTAL FEDERAL EMERGENCY MANAGEMENT AGENCY				<u>2,507,523</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (HHS)</u>				
<u>Direct</u>				
Health Care and Other Facilities				
Healthcare/ Other FAC HRSA EQMT	93.887	N/A	343,996	343,996

PRINCE GEORGE'S COUNTY, MARYLAND
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2010
(Continued)

Federal Agency/Pass-through Entity Program Name	Federal Catalog	Passthrough Number	Federal Expenditure by Program	Total Federal Program Expenditure
<u>PASS-THROUGH MARYLAND DEPARTMENT</u>				
<u>OF HEALTH AND MENTAL HYGIENE (DHMH)</u>				
Substance Abuse and Mental Health Services Projects of Regional and National Significance				
Youth Suicide Prevention	93.243	none	32,125 \$	32,125
ARRA - Immunization				
ARRA - School-age Influenza Immunization	93.712	none	187,217	187,217
Centers for Disease Control and Prevention- Investigations and Technical Assistance				
Pandemic Influenza	93.283	N/A	3,051	
Pandemic Influenza Preparedness	93.283	N/A	1,761	
Breast and Cervical Cancer Program	93.283	F676N	208,056	212,868
Public Health Emergency Preparedness				
Public Health Preparedness	93.069	F3359	72,479	
PHER1 H1N1	93.069	F746N	364,023	
PHER1 III H1N1 PLANNING RESPONSE	93.069	F759N	1,063,250	
PHER1 IV H1N1 VACCINE CAMPAIGN	93.069	F575N	280,951	
Public Health Preparedness	93.069	F3350	596,096	
NM City Readiness Initiative	93.069	F3440/F3449	214,693	2,591,492
Project Grants and Cooperative Agreements for Tuberculosis Control Programs				
Epidemiology TB CHN Grant	93.116	F740N	234,530	234,530
Project for Assistance in Transition from Homelessness-PATH				
Path Project	93.150	246OTH	62,872	62,872
Coordinated Services and Access to Research for Women, Infants, Children and Youth				
AIDS Pediatric	93.153	none	784	784
HIV Care Formula Grants				
AIDS Ryan White Title II	93.917	none	1,593,984	1,593,984
HIV Prevention Activities_Health Department Based				
AIDS HIV Counsel Test	93.940	F765N	441,506	
Community Level Prevention	93.940	F764N	128,496	
Expand HIV Testing	93.940	none	538,899	1,108,901
Immunization Grants				
Epidemiology Hepatitis B Immunization	93.268	F747N	64,203	
Immunization Action Program	93.268	F747N	207,340	271,543
Refugee and Entrant Assistance Discretionary Grants	93.576		256,379	256,379

PRINCE GEORGE'S COUNTY, MARYLAND
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2010
(Continued)

Federal Agency/Pass-through Entity Program Name	Federal Catalog	Passthrough Number	Federal Expenditure by Program	Total Federal Program Expenditure
<u>PASS-THROUGH MARYLAND DEPARTMENT OF HEALTH AND MENTAL HYGIENE (DHMH)(Cont.)</u>				
Medical Assistance Program				
PWC Eligibility	93.778	F731N	929,000	
Medical Assistance Transport	93.778	F738N	2,137,634	
Administrative Care Coordination	93.778	F730N	498,890	
Healthy Start Program	93.778	F564N	18,697	
MA Waiver Administration	93.778	none	150,558	
Family Planning Supplies	93.778	none	32,482	\$ 3,767,261
Family Planning Services				
Maternal Child Planning	93.217	F691N	468,573	
HIV Prevention	93.217	F347N	183,317	651,890
Maternal and Child Health Services Block Grant to the States				
Lead Paint Poisoning Outreach Nurse	93.994	F709N	57,474	
High Risk Infant	93.994	F684N	89,780	147,254
Block Grants for Community Mental Health Services				
Block Grants for Community Mental Health	93.958	MH227OTH	1,359,463	1,359,463
Block Grants for Prevention and Treatment of Substance Abuse				
Addictions Treatment	93.959	F840N	1,645,316	
Region II Prevention	93.959	F841N	470,174	2,115,490
Preventive Health Services -Sexually Transmitted Diseases Control Grants				
Epidemiology STD Caseworker Grant	93.977	F741N	318,001	318,001
Preventive Health and Health Services Block Grant				
Nutrition Risk Reduction	93.991	F683N	753	753
<u>PASS-THROUGH MARYLAND DEPARTMENT OF AGING (MDOA)</u>				
Special Programs for the Aging-Title III,				
Part D-Disease Prevention and Health Promotion Services				
Title IIID	93.043	AAA-3-24-015	41,332	<u>41,332</u>
Aging Cluster:				
Special Programs for the Aging-Title III,				
Part B-Grants for Supportive Services & Senior Centers				
Title IIIB	93.044	AAA-3-24-015	696,957	696,957
Special Programs for the Aging-Title III, Part C-Nutrition Services				
Title IIIC2	93.045	AAA-3-24-015	466,980	
Title IIIC1	93.045	AAA-3-24-015	655,590	1,122,570
Aging Home-Delivered Nutrition Services for States and Aging Congregate Nutrition Services for State				
ARRA - Nutrition	93.707	none	144,753	<u>144,753</u>
Subtotal Aging Cluster				<u>1,964,280</u>
Centers for Medicare and Medicaid Services-				
Research, Demonstrations and Evaluations				
Sr Health Insurance-Admin	93.779	none	54,460	54,460

PRINCE GEORGE'S COUNTY, MARYLAND
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2010
(Continued)

Federal Agency/Pass-through Entity Program Name	Federal Catalog	Passthrough Number	Federal Expenditure by Program	Total Federal Program Expenditure
<u>PASS-THROUGH DISTRICT OF COLUMBIA</u>				
<u>DEPARTMENT OF HEALTH (DCH)</u>				
HIV Emergency Relief Project Grants				
Ryan White Minority Aids	93.914	none	223,232	
Part A Minority Aids Initiative	93.914	none	363,034	
Ryan White CARE	93.914	10T022	4,790,383	
Office of AIDS Ryan White II	93.914	none	1,899,017	\$ 7,275,666
<u>PASS-THROUGH MARYLAND DEPARTMENT</u>				
<u>OF HUMAN RESOURCES (MDHR)</u>				
Child Support Enforcement				
Child Support-Sheriff	93.563	CSEA/CRA-11-018	1,259,683	
Child Support Title IV-Domestic Relations	93.563	CSEA/CRA-10-019	341,508	1,601,191
Low-Income Home Energy Assistance				
Low Income Home Energy Assistance Program	93.568	none	555,714	555,714
Temporary Assistance for Needy Families				
Healthy Families-Home Visitation	93.558	none	194,977	<u>194,977</u>
TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES				<u>26,944,423</u>
<u>PASS-THROUGH MARYLAND</u>				
<u>STATE DEPARTMENT OF EDUCATION (MSDE)</u>				
Special Education-Grants for Infants and Families cluster:				
Infant & Toddlers-Part C	84.181	104855-001	(167,341)	
Infant & Toddlers-Part C	84.181	104855-001	356,501	
Infants & Toddlers Carryover	84.181	none	72,184	
ITP Carryover Part C	84.181	104855-001	202,157	
ARRA - I&T IDEA Part C	84.393	105983	274,485	
ARRA - I&T Extended IFSP	84.393	105983	327,720	1,065,706
Special Education cluster:				
Infants & Toddlers - Part B	84.027	104855-003	206,868	
Part B Supplemental	84.027	104855-003	5,716	
Infants & Toddlers Carryover	84.027	none	40,739	
Part B 619	84.173	104855-002	15,150	<u>268,473</u>
TOTAL DEPARTMENT OF EDUCATION				<u>1,334,179</u>
<u>U.S. DEPARTMENT OF HOMELAND SECURITY (DHS)</u>				
<u>Direct</u>				
Assistance to Firefighters				
Assistance to Firefighters	97.044	N/A	480,000	480,000

PRINCE GEORGE'S COUNTY, MARYLAND
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2010
(Continued)

Federal Agency/Pass-through Entity Program Name	Federal Catalog	Passthrough Number	Federal Expenditure by Program	Total Federal Program Expenditure
<u>PASS-THROUGH MARYLAND EMERGENCY MANAGEMENT AGENCY (MEMA)</u>				
Yorkville Sinkhole project	97.071	none	433,352 \$	433,352
HSGP - Citizen Corp	97.008	9UASI1586-01%	522	522
State Homeland Security Program	97.073	none	803,803	803,803
Homeland Security Grant Program				
LETPP	97.067	none	664,715	664,715
Buffer Zone Protection Program				
Buffer Zone Protection	97.078	none	191,000	191,000
<u>PASS-THROUGH DISTRICT OF COLUMBIA OFFICE OF THE DEPUTY MAYOR FOR PUBLIC SAFETY AND JUSTICE:</u>				
UASI RADI SYS UPGR	97.067	none none	1,561,847	1,561,847
UASI Infection Control	97.008	7UASI606-02%	60,270	
UASI Radio	97.008	7UASI1543-06%	1,020,849	
EOC/ECC Connection Main	97.008	9UASI1543-02%	38,373	
7UASI NIMS COMP	97.008	8UASI1543-01%	9,496	
Exercise and Training Officer	97.008	9UASI1543-02%	110,461	
UASI Microwave Deployment	97.008	7UASI1543-03%	187,440	
UASI/INT ECC'S & EOC'S	97.008	7UASI1586-01%	1,145,104	2,571,993
NCR Reg Planner	97.073	none	534,184	534,184
<u>PASS-THROUGH EMERGENCY FOOD AND SHELTER PROGRAM BOARD (EFSEB)</u>				
Emergency Food and Shelter National Board Program				
Emergency Food and Shelter ARRA	97.024	none	93,434	
Emergency Food and Shelter	97.024	none	124,566	218,000
TOTAL DEPARTMENT OF HOMELAND SECURITY				<u>7,459,416</u>
<u>U.S. DEPARTMENT OF COMMERCE (DOC)</u>				
<u>PASS-THROUGH MARYLAND EMERGENCY MANAGEMENT AGENCY:</u>				
Public Safety Interoperable Communications Grant Program				
FY07 PSIC SCIP TOWER,	11.555	none	107,098	
FY07 PSIC NCRNET	11.555	none	1,364,074	
PSCI Microwave Maintenance	11.555	none	378,944	1,850,116
TOTAL DEPARTMENT OF COMMERCE				<u>1,850,116</u>
<u>U.S. DEPARTMENT OF ENERGY (DOE)</u>				
<u>Direct</u>				
Energy Efficiency and Conservation Block Grant Program (EECBG)				
ARRA - EECBG	81.128	N/A	225,300	225,300
TOTAL DEPARTMENT OF ENERGY				<u>225,300</u>
TOTAL FEDERAL GRANT EXPENDITURES				<u>\$ 97,044,624</u>

PRINCE GEORGE'S COUNTY, MARYLAND
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
June 30, 2010

NOTE 1 – SCOPE OF AUDIT PURSUANT TO OMB CIRCULAR A-133

The Schedule of Expenditures of Federal Awards presents the activity of all Federal award programs of Prince George's County, Maryland (the County), as defined in note 1a to the County's basic financial statements. All Federal awards received directly from Federal agencies as well as Federal awards passed through other government agencies or other entities are included in the schedule, except for the outstanding loan balances discussed in note 3(a).

NOTE 2 – BASIS OF ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting. It includes all Federal awards to the County which had expenditure activity during the year ended June 30, 2010. Several programs are jointly funded by State of Maryland appropriations and Federal awards. The Schedule of Expenditures of Federal Awards reflects only that part of the grant activity funded by Federal awards.

NOTE 3 – LOAN PROGRAMS AND NONCASH FEDERAL AWARDS

(a) Loan Programs – U.S. Department of Housing and Urban Development (HUD) The County administers loans under the HOME Investment Partnerships (HOME) Program and the Section 108 Commercial Building Loan Fund which have continuing compliance requirements, and therefore, are considered to be Federal awards at June 30, 2010. The outstanding balance on the HOME and Section 108 loans at June 30, 2010 is \$7,232,400 and \$4,724,981, respectively. These amounts are excluded from the accompanying Schedule of Expenditures of Federal Awards.

(b) Food Vouchers – U.S. Department of Agriculture (USDA) The Special Supplemental Food Program for Women, Infants and Children (WIC) is a State of Maryland administered program that uses local governments to assist in screening participant eligibility and distribution of WIC vouchers. Distributed WIC vouchers are issued, controlled, collected, valued, audited, and canceled by the State of Maryland. State representatives confirmed that the value of WIC vouchers redeemed by Maryland residents living in Prince George's County, Maryland totaled \$13,867,896 for fiscal year 2010. These amounts are included in the Schedule of Expenditures of Federal Awards.

(c) Food Commodities – USDA During fiscal year 2010, the County received \$335,017 in surplus food from the Federal government. This amount is included in the Schedule of Expenditures of Federal Awards.

PRINCE GEORGE'S COUNTY, MARYLAND
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
June 30, 2010

NOTE 4 – SUBRECIPIENTS

Of the federal expenditures presented in the Schedule of Expenditures of Federal Awards, the County provided federal awards to subrecipients as follows:

Program Title	Federal CFDA Numbers	Amount Provided to Subrecipients
HUD-Community Development Block Grant Program	14.218	\$ 4,504,484
HUD-Emergency Shelter Grant Program	14.231	243,749
HUD-HOME Investment Partnerships Program	14.239	3,149,409
HUD-Neighborhood Stabilization	14.256	2,408,459
HUD-Community Development Block Grant-R ARRA	14.253	287,343
HUD-Housing Preservation Recovery Program ARRA	14.257	474,575
DOE-Special Education Grants to States Part B	84.027	206,868
DOE-Special Education Grants to States Part B 619	84.173	15,150
DOE-Special Education: Grants for Infants and Families with Disabilities	84.181	202,160
ARRA I&T IDEA	84.393	602,205
HHS-Title III, Part B- Grants for Supportive Services and Senior Centers	93.044	116,660
Projects for Assistance in Transition from Homelessness(PATH)	93.150	62,872
HHS- HIV Emergency Relief Project Grants	93.914	4,346,323
HHS- Block Grants for Community Mental Health Services	93.958	1,287,733
Substance Abuse Prevention and Treatment Block Grant	93.959	<u>1,267,018</u>
		<u>\$ 19,175,008</u>

This information is an integral part of the accompanying schedule.

PRINCE GEORGE'S COUNTY, MARYLAND
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2010

I. Summary of Independent Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weakness(es) identified?	_____	Yes	_____	X	No
Significant deficiency(ies) identified that are not considered to be material weakness.	_____	X	Yes	_____	None reported
Noncompliance material to financial statements noted?	_____	Yes	_____	X	No

Federal Awards

Internal control over major programs:

Material weakness(es) identified?	_____	X	Yes	_____	No
Significant deficiency(ies) identified that are not considered to be material weakness.	_____	X	Yes	_____	None reported

Type of auditor's report issued on compliance for major programs: Qualified

Medical Assistance Program	93.778
Home Investment Partnership Program	14.239
Community Development Block Grants	14.218, 14.253

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133?	_____	X	Yes	_____	No
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Identification of Major Programs

<u>Name of Federal Program or Cluster</u>	<u>CFDA Number(s)</u>
USDA-Special Supplemental Food Program for Women, Infants and Children	10.557
HUD-Community Development Block Grants	14.218, 14.253
HUD-Home Investment Partnership Program	14.239
HUD-NSP – CDBG Entitlement Grants	14.256
DOT-Highway Planning and Construction	20.205
USDE-Special Education Grants for Infants and Families	84.181, 84.393
HHS- HIV Emergency Relief	93.914
HHS- Medical Assistance Program	93.778

Dollar threshold used to distinguish between type A and type B programs: \$3,000,000

Auditee qualified as low-risk auditee?	_____	Yes	_____	X	No
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This information is an integral part of the accompanying schedule.

PRINCE GEORGE'S COUNTY, MARYLAND
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2010

II. Financial Statement Findings

Finding 2010-1: Pledged Collateral Review

Condition

There is no evidence of a documented review process to ensure pledged collateral is in the proper form, is adequate to secure the funds deposited, and is in compliance with legal requirements.

Criteria

COSO/Internal Control Framework defines control activities as "policies and procedures that help ensure management's directives are carried out." Management review controls are defined as "the activities of a person, different than the preparer, analyzing and performing oversight of activities performed, and is an integral part of any internal control structure."

Cause

Management did not document the review policy related to pledged collateral.

Effect

The County might not have the proper form of collateral to ensure that funds deposited are adequately collateralized and in compliance with legal requirements.

Recommendation

We recommend that management review and enhance its current review policy for pledged collateral that documents the supervisory review of the procedures performed to ensure the funds deposited are in compliance with legal requirements.

Managements Response:

The County's custodian bank (Wells Fargo) manages the collateral for the securities they hold as well as the Washington Federal CD collateral. The Cash Management section reviews monthly reports of the remaining securities that require collateral. The Cash Management Section will incorporate the results of their review in the monthly investment report, which is submitted for approval to the Cash Manager.

Finding 2010-2: Prepaid Deposit Audit Adjustment

Condition

An improper recording of a refunded prepaid deposit resulted in an audit adjustment. Although this error was identified by management, it was not detected in a timely fashion and resulted in a prior period adjustment to the financial statements.

Criteria

COSO/Internal Control Framework defines control activities as "policies and procedures that help ensure management's directives are carried out." Management review controls are defined as, "the activities of a person, different than the preparer, analyzing and performing oversight of activities performed, and is an integral part of any internal control structure."

This information is an integral part of the accompanying schedule.

PRINCE GEORGE'S COUNTY, MARYLAND
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2010

Cause

The refunding of the prepaid deposit was not properly recorded.

Effect

The financial reporting for the County was materially misstated.

Recommendation

We recommend that management review and strengthen current review procedures to ensure the proper treatment of transactions prior to recording in the financial system.

Managements Response:

The County will continue to emphasize its current policy that all requests for transactions have proper supporting documentation and are reviewed by appropriate personnel. In addition, non-routine transactions will be researched and discussed with related parties to ensure that all available information is considered prior to the recording of a transaction.

Finding 2010-3: Retainage Payable Review Process

Condition

There is no process in place to periodically review the retainage payable balances. This resulted in differences between the actual retainage payable, and what was recorded in the County's financial system.

Criteria

COSO/Internal Control Framework defines control activities as "policies and procedures that help ensure management's directives are carried out." Management review controls are defined as, "the activities of a person, different than the preparer, analyzing and performing oversight of activities performed, and is an integral part of any internal control structure."

Cause

Management did not adopt a formal policy related to the review of retainage payable balances.

Effect

Differences in retainage payable could cause the County to improperly report its outstanding liabilities.

Recommendation

We recommend that management adopt a formalized review policy for retainage payable to determine if such retainage should be recognized as income or refunded to the contractor.

Managements Response:

The Accounting Division is reviewing all outstanding retainages, and coordinating with other agencies to determine accuracy. After this review is complete, monthly or quarterly reports will be submitted to the agencies for their feedback. An annual update will be submitted to Accounting Division managers for their review and approval.

PRINCE GEORGE'S COUNTY, MARYLAND
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2010

Finding 2010-4: Bank Reconciliation Process

Condition

The monthly bank reconciliations were not prepared in a timely manner. Throughout the year, the General Disbursement Account was not reconciled for over 120+ days after the statement date.

Criteria

COSO/Internal Control Framework requires adequate internal controls over timely reconciliations to ensure that transactions are properly recorded and reduce the risk that errors will be undetected.

Cause

This is a result of the volume of transactions that the County processes, and limited resources of the County.

Effect

The completion of the bank reconciliation preparation process is important to ensure that errors are detected in a timely manner.

Recommendation

We recommend that management adopt a formalized policy to establish an acceptable timeframe for the completion of the bank reconciliations in order to reduce the risk that errors will be undetected.

Managements Response:

The Accounting Division has begun the process of expediting the bank reconciliation process. Once all accounts are up to date, the reconciliations will be completed within 30-75 days of month-end.

II. Federal Award Findings and Questioned Costs

Finding Reference: 2010-05

Federal Agency: U.S. Department of Housing and Urban Development

Federal Program: 14.218, 14.253 – CDBG, CDBG-R

14.239 – Home Investment Partnership (HOME)

Compliance Requirement: Sub-recipient Monitoring

Type of Finding: Material weakness in Internal Control, Noncompliance

Condition/ Context

During testing over sub-recipient monitoring, the County failed to demonstrate their compliance with sub-recipient monitoring based on the following:

1. The County failed to obtain and review the single audit report for 10 out of 10-CDBG, CDBG-R sub-recipients tested.
2. The County failed to follow-up on sub-recipient single audit findings and assess the adequacy of the corrective action plan. We noted the noncompliance for all sub-recipients selected for testing.

This information is an integral part of the accompanying schedule.

PRINCE GEORGE'S COUNTY, MARYLAND
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2010

3. The County failed to conduct periodic site visits and/or implement procedures to ensure that all sub-recipients are visited on a periodic basis. We noted the noncompliance for 8 out of 10 CDBG, CDBG-R sub-recipients selected for testing.

Criteria

OMB Circular A-133 requires:

1. The pass-through entities be responsible for ensuring that sub-recipients expending \$500,000 or more in Federal awards during the sub-recipient's fiscal year as provided in OMB Circular A-133 have met the audit requirements of OMB Circular A-133, and that the required audits are completed within 9 months of the end of the sub-recipient's audit period.
2. The pass-through entity to issue a management decision on the audit findings within 6 months after receipt of the sub-recipient's audit report; ensuring that the sub-recipient takes timely and appropriate corrective action on all audit findings.
3. The pass-through entity be responsible for "monitoring the sub-recipient's use of Federal awards through reporting, site visits, regular contact, or other means to provide reasonable assurance that the sub-recipient administers Federal awards in compliance with laws, regulations, and the provisions."

Cause

The County has not established sub-recipient monitoring procedures to ensure that sub-recipient monitoring is performed and documented in accordance with federal requirements.

Effect

As a result of the County's lack of monitoring, the sub-recipient could have used program funds for unallowable or inappropriate uses. The sub-recipient also could have been improperly recording and reporting costs in its accounting system, thus making the information included in the County's reports to HUD inaccurate.

Questioned Costs

There are no questioned costs associated with this finding. We did not identify unallowable or inappropriate use of federal funds by the sub-recipient.

Recommendation

We recommend that the County review their policies and procedures related to sub-recipient monitoring to ensure that the policies and procedures comply with federal requirements.

Management's Response:

The Department of Housing and Community Development (DHCD) has established procedures that will enable DHCD to monitor/track the applicable sub-recipients for the HOME and CDBG-R programs. Regarding CDBG, DHCD conducted two site visits, however, project managers are required to maintain communication with assigned operating agencies throughout the year to ensure consistent spending. DHCD will ensure that more site visits are done to comply with OMB Circular A-133 requirements.

PRINCE GEORGE'S COUNTY, MARYLAND
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2010

Finding Reference: 2010-06

Federal Agency: U.S. Department of Agriculture
Federal Program: 10.557 – WIC
Compliance Requirement: Eligibility
Type of Finding: Significant Deficiency in Internal Control

Condition/Context

During the eligibility test, we noted that for 1 out of 40 applicants the “other” documentation used to identify the applicant was not noted in the WOW system notes.

Criteria

OMB Circular A-133 requires eligibility determinations and redeterminations, (including obtaining any required documentation/verifications) be performed to determine that the individual was eligible in accordance with the compliance requirements of the program.

Cause

The County's procedure for documenting “other” forms of identification was not consistently performed.

Effect

Inconsistent application of the established procedures may result in non-compliance with internal and/or federal requirements.

Questioned Costs

There are no questioned costs associated with this finding. The applicant was eligible for benefits based on other documentation obtained by the County, however, the County failed to note the “other” identification reviewed in the WOW system.

Recommendation

We recommend that the County re-iterate the importance of consistently performing established policies and procedures to ensure that errors are identified and prevented and/or corrected in a timely manner.

Management's Response:

Policies regarding documentation will be reviewed with all staff during bi-monthly staff meetings.

Finding Reference: 2010-07

Federal Agency: U.S. Department Health and Human Services
Federal Program: 93.778 – Medical Assistance
Compliance Requirement: Procurement, Suspension and Debarment
Type of Finding: Material Weakness in Internal Control, Noncompliance

Condition/Context

We noted that all procurement contracts selected for testing failed to document the vendor's suspension or debarment status.

PRINCE GEORGE'S COUNTY, MARYLAND
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2010

The procurement documentation for 3 contractors, which represented the total population, were incomplete. The procurement file did not contain:

1. An invitation to bid and term contract award notice
2. Prince George's approval as required by the County procurement procedures.

Criteria

The A-102 Common Rule or OMB Circular A-110, as applicable, stipulate that the entity, to provide reasonable assurance that procurement of goods and services are made in compliance with the provisions of and that covered transactions (as defined in the suspension and debarment common rule) are not made with a debarred or suspended party, should implement appropriate internal controls. When a non-federal entity enters into a covered transaction with an entity at a lower tier, the non-federal entity must verify that the entity is not suspended or debarred or otherwise excluded. This verification may be accomplished by checking the Excluded Parties List System (EPLS) maintained by the General Services Administration (GSA), collecting a certification from the entity, or adding a clause or condition to the covered transaction with that entity (2 CFR section 180.300). Covered transactions include those procurement contracts for goods and services awarded under a non-procurement transaction (e.g., grant or cooperative agreement) that are expected to equal or exceed \$25,000 or meet certain other specified criteria.

The A-102 Common Rule and OMB Circular A-110 (2 CFR part 215) require that non-Federal entities receiving Federal awards (i.e., auditee management) establish and maintain internal controls designed to reasonably ensure compliance with Federal laws, regulations, and program compliance requirements. The A-102 Common Rule or OMB Circular A-110 requires Procurement actions to be appropriately documented in the procurement files.

Cause

The County's procurement, suspension and debarment policies and procedures were not consistently followed.

Effect

The County may fail to document a vendor's suspension and debarment verification status as required by A-102 Common Rule or OMB Circular A-110. Inconsistent application of the County's procurement procedures may result in the County doing business with an unapproved vendor.

Questioned Costs

There are no questioned costs associated with this finding. None of the vendors were suspended or debarred.

Recommendation

We recommend that the County consistently perform and document their compliance with the procurement policies and procedures.

PRINCE GEORGE'S COUNTY, MARYLAND
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2010

Management's Response:

The Health Department will work in collaboration with the Contract Administration and Procurement Division in the implementation of a procedure that ensures that all vendors being paid with Federal funds are not suspended or debarred.

Finding Reference: 2010-08

Federal Agency: U.S. Department Health and Human Services
Federal Program: 93.778 – Medical Assistance
Compliance Requirement: Allowable Costs (transportation)
Type of Finding: Material Weakness in Internal Control, Noncompliance
Repeat finding, 09-01

Condition/Context

We noted that 24 out of 40 participant files tested for medical transportation did not have a physician certification or comparable documentation to support a doctor's appointment, as required. Medicaid provides non-emergency transportation services for qualified Medical Assistance recipients. Transportation is only to be provided for Medicaid covered, medically necessary treatment provided by a medical provider who has a provider agreement with the DHMH.

Criteria

COMAR 10.09.19 *Transportation Grants*, Section .05 states, "monies from a grant provided under these regulations may not be used to pay for...transportation to receive nonmedical services, transportation to or from services that are not medically necessary or transportation for non-medical assistance recipients.

Cause

The County does not obtain documentation for recipients on a consistent basis to determine if the transportation is provided for a medically necessary treatment.

Effect

The County may provide transportation services for ineligible recipients or fail to document the eligibility of qualified recipients.

Questioned Costs

\$2,164 reflects the total costs paid on behalf of recipients who failed to provide documentation to support a doctor's appointment.

Recommendation

We recommend that the County review its current procedures for obtaining and documenting transportation for Medicaid recipients. The documentation should ensure that it supports the medically necessary treatment required for the recipient to obtain subsidized transportation.

Management's Response:

In February 2010, the program started a system focusing upon getting clients to ask their physicians to submit missing "physician certificates" or related documentation before their trip requests are finalized. The new system is improving the collection of physician certifications and related documents.

This information is an integral part of the accompanying schedule.

**PRINCE GEORGE'S COUNTY, MARYLAND
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
June 30, 2010**

III. Prior Audit Findings and Questioned Costs

Finding Reference: 09-01

Federal Agency: U.S. Department of Health and Human Services
Federal Program: 93.778 – Medical Assistance Program

Condition

Certain individuals receiving transportation assistance for medical services may not be eligible and certain transportation services were not necessary. For example, there was no physician certification for transportation on file for twenty-eight of the forty recipients tested for eligibility. Also, five of the forty recipients tested for eligibility obtained transportation services which were unnecessary as these individuals lived within three quarters of a mile from the nearest fixed route stop.

Current Year Status

Not resolved, this finding was repeated as 2010-08

Finding Reference: 09-02

Federal Agency: U.S. Department of Health and Human Services
Federal Program: 93.044, 93.045 – Aging

Condition

The approval of sub-recipient grant awards was not performed in a timely manner. For example, contracts were approved twenty-eight days before the end of the contract term for two of the three sub-recipients grants reviewed. Also, modifications of certain grant agreements were performed forty-one days after the contract expired.

Current Year Status

Not Resolved

During testing CG noted that 2 out of 2 sub-recipients of the Aging program were disbursed funds prior to a written sub-recipient agreement being in place. Funds were disbursed beginning October 2009 which was prior to procurement's approval and the executed sub-recipient grant agreement.

Finding Reference: 09-03

Federal Agency: U.S. Department of Health and Human Services
Federal Program: 93.914 – HIV Emergency Relief

Condition

Three sub-recipient contracts that were reviewed for eligibility were approved several months after the commencement of the grant period. For example, although the sub-recipients submitted the required documents timely, as required by the Request for Application (RFA), one contract was approved in August and the other two contracts were approved in September. The grant period for the HIV Program commences on March 1st of each year.

Current Year Status

Resolved

During current year audit testing CG selected this program as major and tested the issuance of the sub-recipient contracts as part of the current year testing.

This information is an integral part of the accompanying schedule.

PRINCE GEORGE'S COUNTY, MARYLAND
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
June 30, 2010

Finding Reference: 09-04

Federal Agency: U.S. Department of Health and Human Services
Federal Program: 93.914 – HIV Emergency Relief

Condition

The Administrative Agency (the County) did not submit timely, monthly invoices, narrative reports, and quarterly reports to the District of Columbia, Department of Health. For example, all four monthly fiscal narrative reports selected for testing were submitted 19 to 23 days after the due date. Also, all four monthly invoice/expenditure reimbursement requests reviewed were submitted 23 to 84 days after the due date. Additionally, the two quarterly reports reviewed were submitted 37 to 45 days after the due date.

Current Year Status

Resolved

During current year audit testing CG selected this program as major and tested the issuance of the sub-recipient contracts as part of the current year testing.

Finding Reference: 09-05

Federal Agency: U.S. Department of Agriculture
Federal Program: 10.557 – Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)

Condition

Of the two quarterly financial reports (DHMH 438) and closing financial report (DHMH 440) examined, there was no evidence that one of the quarterly reports (DHMH 438) was reviewed. Additionally, one quarterly financial report (DHMH 438) and the closing financial report (DHMH 440) were submitted 18 days after the due date.

Current Year Status

Resolved

During current year audit testing CG selected this program as major and tested the issuance of the sub-recipient contracts as part of the current year testing.

Finding Reference: 09-06

Federal Agency: U.S. Department of Health and Human Services
Federal Program: 93.959 – Substance Abuse Prevention and Treatment Block Grant

Condition

Interim financial reports (DHMH 438) and closing reports (DHMH 440) were submitted to the State Department of Health and Mental Hygiene 23 to 62 days after the due date.

Current Year Status

Not resolved.

During testing CG noted that 4 out of 4 interim financial reports (DHMH 438) were submitted 12-17 days beyond the due date and 2 out of 2 closing reports (DHMH 440) were submitted 12 days beyond the due date to the State Department of Health and Mental Hygiene.

PRINCE GEORGE'S COUNTY, MARYLAND
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
June 30, 2010

Finding Reference: 09-07

Federal Agency: U.S. Department of Health and Human Services
Federal Program: 93.959 – Substance Abuse Prevention and Treatment Block Grant

Condition

Sub-recipients were not sufficiently monitored through reporting and site visits. For example, only one site visit was conducted for two of the five sub-recipients selected for testing. Additionally, one of the five sub-recipients selected for testing and expending over \$500,000 of grant funds did not submit its single audit report, which was a requirement of the sub-recipient contract.

Current Year Status

Resolved

CG selected 2 sub-recipients for testing, which represented the total population, and noted that site visits were conducted for both sub-recipients tested. Neither sub-recipient was required to have a single audit in accordance with OMB Circular A-133.

Finding Reference: 09-08

Federal Agency: U.S. Department of Health and Human Services
Federal Program: 93.044, 93.045 – Aging

Condition

There was no evidence that three monthly meal reports (July and September 2008, and January 2009) and two quarterly nutrition reports (December 2008 and June 2009) were reviewed. Also, one monthly meal report (July 2008) and a quarterly nutrition report (December 2008) were submitted eight and seventeen days after the due dates, respectively.

Current Year Status

Partially Resolved

During testing CG noted that 4 out of 4 Monthly Meal Reports tested and 2 out of 2 Quarterly Nutrition Reports tested had the proper program manager review and approval. However, CG noted that all 4 Monthly Meal Reports and 1 Quarterly Nutrition Report were submitted beyond the report due date.

Finding Reference: 09-09

Federal Agency: U.S. Department of Housing and Urban Development
Federal Program: 14.239 – HOME

Condition

A review of the Integrated Disbursement and Information Systems (IDIS) report number PR02 (IDIS - PR02) as of June 30, 2009 and March 19, 2010, indicates that while the County may have committed funds, there is a significant amount of funds remaining to be expended. The reports indicate that the County has, on average, in excess of \$12 million of funds committed but not expended. The County must expend approximately \$2.7 million by September 30, 2010 or its annual allocations will be reduced. We noted that the annual allocation for fiscal year 2010 was reduced by approximately \$2.2 million because the County failed to expend funds within the stipulated timeframe.

This information is an integral part of the accompanying schedule.

PRINCE GEORGE'S COUNTY, MARYLAND
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
June 30, 2010

Current Year Status

Resolved

CG noted during testing that there was approximately \$700,000 that was not expended as of 6/30/2010, however the County has until October 2011 to spend the balance.

Finding Reference: 09-10

Federal Agency: U.S. Department of Housing and Urban Development

Federal Program: 14.239 – HOME

Condition

There was inadequate evidence that the HOME Program awards were evaluated in accordance with the maximum per unit subsidy guidelines. For example, of the two project files reviewed, there was no documentation of the required evaluation of the maximum per unit subsidy.

Current Year Status

Resolved

CG noted during testing that the program implemented a new form to include in all project files, which documents review of compliance with per-unit funding.

Finding Reference: 09-11

Federal Agency: U.S. Department of Housing and Urban Development

Federal Program: 14.239 – HOME

Condition

Project funds were approved and disbursed for a project that was behind schedule. The final payment was made when the project was fifty-four percent complete rather than upon substantial completion as required by the loan agreement.

Current Year Status

Resolved

CG noted during testing that the program implemented controls that require the approval of all project payments by multiple levels of management, including the project manager.