

Tarrant County, Texas

Single Audit Report for the
Year Ended September 30, 2014

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
Tarrant County, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Tarrant County, Texas (the County), as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated March 26, 2015. Our report includes a reference to other auditors who audited the financial statements of the Tarrant County Hospital County or the Mental Health and Mental Retardation of Tarrant County, which represent all of the aggregate discretely presented component units, 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

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material

weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2014-001 and 2014-002 that we consider to be significant deficiencies.

Compliance and Other Matters

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

Management's Response to Findings

The County's response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs and the corrective action plan. The County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

Deloitte & Touche LLP

March 26, 2015

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS REQUIRED BY OMB CIRCULAR A-133 AND STATE OF TEXAS UNIFORM GRANT MANAGEMENT STANDARDS

The Honorable County Judge and
Commissioners' Court
Tarrant County, Texas

Report on Compliance for Each Major Federal Program

We have audited Tarrant County's (the "County") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the County's major federal and state programs for the year ended September 30, 2014. The County's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

The County's basic financial statements include the operations of the Tarrant County Hospital District and the Mental Health and Mental Retardation of Tarrant County, which received federal awards not included in the County's Schedule of Expenditures of Federal and State Awards for the year ended September 30, 2014. Our audit, described below, did not include the operations of the Tarrant County Hospital District or the Mental Health and Mental Retardation of Tarrant County because those entities engaged other auditors to perform an audit in accordance with OMB Circular A-133.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and the State of Texas *Uniform Grant Management Standards (UGMS)*. Those standards and 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 and state program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each of Major Federal and State Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal and state programs for the year ended September 30, 2014.

Other Matters

The results of our auditing procedures disclosed other instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and UGMS and which are described in the accompanying schedule of findings and questioned costs as items 2014-003, 2014-004, and 2014-006. Our opinion on each major federal and state program is not modified with respect to these matters.

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

Report on Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program 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 the County's internal control over compliance.

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

than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items 2014-003 through 2014-006 that we consider to be significant deficiencies.

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

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

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

We have audited the financial statements of the County as of and for the year ended September 30, 2014, and have issued our report thereon dated March 26, 2015, which contained an unmodified opinion on those financial statements and a reference to other auditors. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. 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 financial statements as a whole.

Deloitte & Touche LLP

March 26, 2015

Tarrant County, Texas
Schedule of Expenditures of Federal and State Awards
For the Year Ended September 30, 2014

Federal or State Grantor/ Pass-Through Grantor Program Title	CFDA Number	Grant/Contract Number	Expenditures	Subrecipient Amount
U.S. DEPARTMENT OF AGRICULTURE				
National School Lunch Program	10.555	01352	\$ 108,950	\$ -
Special Supplemental Nutrition Program for Women, Infants and Children				
Pass-Through from Texas Department of State Health Services	10.557	2013-042623-001A	85,326	-
Pass-Through from Texas Department of State Health Services	10.557	2014-045077-001	8,002,755	-
Total CFDA 10.557			<u>8,088,081</u>	<u>-</u>
Total U.S. Department of Agriculture			<u>8,197,031</u>	<u>-</u>
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Disaster Voucher Assistance - IKE	14.000	TX4311E0014	(27,237)	-
Community Development Block Grants/Entitlement Grants - 36th Year	14.218	B10-UC-48-0001	21,492	-
Community Development Block Grants/Entitlement Grants - 37th Year	14.218	B11-UC-48-0001	(24,428)	-
Community Development Block Grants/Entitlement Grants - 38th Year	14.218	B12-UC-48-0001	959,424	-
Community Development Block Grants/Entitlement Grants - 39th Year	14.218	B13-UC-48-0001	1,876,354	26,096
Community Development Block Grants/Entitlement Grants - 40th Year	14.218	B14-UC-48-0001	171,232	7,626
Total CFDA 14.218			<u>3,004,074</u>	<u>33,722</u>
Community Development Block Grants/Non-Entitlement Grants (NSP)	14.228	B08-UN-48-0002	83,390	55,538
Emergency Solutions Grant Program - 37th Year	14.231	E-11-UC-48-0001	(4,784)	-
Emergency Solutions Grant Program - 38th Year	14.231	E-12-UC-48-0001	3,817	-
Emergency Solutions Grant Program - 39th Year	14.231	E-13-UC-48-0001	157,409	90,874
Emergency Solutions Grant Program - 40th Year	14.231	E-14-UC-48-0001	38,406	33,348
Total CFDA 14.231			<u>194,848</u>	<u>124,222</u>
Supportive Housing Program - 16th Year	14.235	TX0102B6T011003	(1,035)	-
Supportive Housing Program - 17th Year	14.235	TX0102B6T011104	28,725	28,498
Supportive Housing Program - 17th Year	14.235	TX0097B6T011104	(74)	-
Supportive Housing Program - 17th Year	14.235	TX0115B6T011104	19,202	19,587
Supportive Housing Program - 17th Year	14.235	TX0116B6T011104	1,789	-
Supportive Housing Program - 17th Year	14.235	TX0112B6T011104	6,105	8,155
Supportive Housing Program - 17th Year	14.235	TX0104B6T011104	3,135	-
Supportive Housing Program - 17th Year	14.235	TX0119B6T011104	15,344	15,494
Supportive Housing Program - 17th Year	14.235	TX0287B6T011000	35,627	33,379
Supportive Housing Program - 17th Year	14.235	TX0259B6T010900	21,342	19,100
Supportive Housing Program - 18th Year	14.235	TX0102L6T011205	73,350	70,322
Supportive Housing Program - 18th Year	14.235	TX0114L6T011205	137,789	33,245
Supportive Housing Program - 18th Year	14.235	TX0093L6T011205	325,474	259,723
Supportive Housing Program - 18th Year	14.235	TX0097L6T011205	24,605	23,891

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Schedule of Expenditures of Federal and State Awards
For the Year Ended September 30, 2014

Federal or State Grantor/ Pass-Through Grantor Program Title	CFDA Number	Grant/Contract Number	Expenditures	Subrecipient Amount
Supportive Housing Program - 18th Year	14.235	TX0115L6T011205	64,590	59,271
Supportive Housing Program - 18th Year	14.235	TX0116L6T011205	135,894	131,171
Supportive Housing Program - 18th Year	14.235	TX0104L6T011205	298,323	288,648
Supportive Housing Program - 18th Year	14.235	TX0113L6T011205	349,835	2,092
Supportive Housing Program - 18th Year	14.235	TX0119L6T011205	95,472	92,661
Supportive Housing Program - 18th Year	14.235	TX0105L6T011205	107,169	100,906
Supportive Housing Program - 18th Year	14.235	TX0287L6T011201	139,150	134,295
Supportive Housing Program - 18th Year	14.235	TX0259L6T011201	113,800	24,094
Supportive Housing Program - 18th Year	14.235	TX0321B6T011100	101,118	97,650
Supportive Housing Program - 19th Year	14.235	TX0114L6T011306	37,416	11,310
Supportive Housing Program - 19th Year	14.235	TX0093L6T011306	127,043	37,933
Supportive Housing Program - 19th Year	14.235	TX0097L6T011306	11,257	11,080
Supportive Housing Program - 19th Year	14.235	TX0113L6T011306	434,146	24,652
Total CFDA 14.235			<u>2,706,591</u>	<u>1,527,157</u>
Shelter Plus Care	14.238	TX0320C6T011100	61,124	-
Home Investment Partnerships Program - 18th Year	14.239	M09-DC-48-0200	2,805	2,805
Home Investment Partnerships Program - 19th Year	14.239	M10-DC-48-0200	(9,370)	-
Home Investment Partnerships Program - 20th Year	14.239	M11-DC-48-0200	100,027	-
Home Investment Partnerships Program - 21st Year	14.239	M12-DC-48-0200	518,178	-
Home Investment Partnerships Program - 22st Year	14.239	M13-DC-48-0200	29,903	-
Total CFDA 14.239			<u>641,543</u>	<u>2,805</u>
Housing Opportunities for Persons with AIDS	14.241	TX-H110026	284,198	275,392
Pass-Through from Texas Department of State Health Services	14.241	2013-043223-001	56,774	56,774
Pass-Through from Texas Department of State Health Services	14.241	2014-002563	59,717	59,717
Total CFDA 14.241			<u>400,689</u>	<u>391,883</u>
Section 8 Housing Choice Vouchers - Administrative Reserve (Pre-FY2004)	14.871	N/A	9,194	-
Section 8 Housing Choice Vouchers - Administrative Reserve (Post-FY2004)	14.871	N/A	(350)	-
Section 8 Housing Choice Vouchers - Administration (CY12)	14.871	TX21V431000082	98	-
Section 8 Housing Choice Vouchers - Administration (CY13)	14.871	TX21V431000082	363,646	-
Section 8 Housing Choice Vouchers - Administration (CY14)	14.871	TX21V431000082	1,188,532	-
Section 8 Housing Choice Vouchers - Portability	14.871	TX21V431000082	1,260,773	-
Section 8 Housing Choice Vouchers(CY10)	14.871	TX21V431000082	2,820	-
Section 8 Housing Choice Vouchers(CY11)	14.871	TX21V431000082	(570)	-
Section 8 Housing Choice Vouchers(CY12)	14.871	TX21V431000082	(940)	-
Section 8 Housing Choice Vouchers(CY13)	14.871	TX21V431000082	4,108,251	-
Section 8 Housing Choice Vouchers	14.871	TX21V431000082	12,550,065	-
Section 8 Housing Choice Vouchers (VASH)	14.871	TX431MSC	60,138	-
Section 8 Housing Choice Vouchers (FSS-CY12)	14.871	TX431FSF006	33,296	-
Total CFDA 14.871			<u>19,574,953</u>	<u>-</u>

Tarrant County, Texas
Schedule of Expenditures of Federal and State Awards
For the Year Ended September 30, 2014

Federal or State Grantor/ Pass-Through Grantor Program Title	CFDA Number	Grant/Contract Number	Expenditures	Subrecipient Amount
Public Housing Family Self Sufficiency (CY12)	14.877	TX431FSH005	22,598	-
Family Self-Sufficiency Program (CY13)	14.896	TX431FSF007	145,837	-
Total U.S. Department of Housing and Urban Development			<u>26,808,410</u>	<u>2,135,327</u>
U.S. DEPARTMENT OF INTERIOR				
Payments in Lieu of Taxes	15.226	N/A	43,439	-
Historic Preservation Fund Grants - In-Aid				
Pass-through from Texas Historical Commission	15.904	TX-13-024	750	-
Total U.S. Department of Interior			<u>44,189</u>	<u>-</u>
U.S. DEPARTMENT OF JUSTICE				
Juvenile Accountability Block Grants				
Pass-Through from Texas Office of the Governor, CJD	16.523	JB-12-XXX-13287-15	54,910	-
Pass-Through from Texas Office of the Governor, CJD	16.523	JB-13287-16	28,623	-
Total CFDA 16.523			<u>83,533</u>	<u>-</u>
Crime Victim Assistance				
Pass-Through from Texas Office of the Governor, CJD	16.575	VA-11-V30-13739-15	24,425	-
Pass-Through from Texas Office of the Governor, CJD	16.575	VA-13739-16	3,110	-
Pass-Through from Texas Office of the Governor, CJD	16.575	VA-13-V30-24617-03	53,724	-
Pass-Through from Texas Office of the Governor, CJD	16.575	VA-24617-04	5,105	-
Total CFDA 16.575			<u>86,364</u>	<u>-</u>
Drug Court Discretionary Grant Program				
Pass-Through from Mental Health Mental Retardation Tarrant County	16.585	E141528	66,093	-
Violence Against Women Formula Grants				
Pass-Through from Texas Office of the Governor, CJD	16.588	WF-12-V30-13737-14	1	-
Pass-Through from Texas Office of the Governor, CJD	16.588	WF-13-V30-27108-01	40,467	-
Pass-Through from Texas Office of the Governor, CJD	16.588	WF-27108-02	3,573	-
Total CFDA 16.588			<u>44,041</u>	<u>-</u>
State Criminal Alien Assistance Program (S.C.A.A.P.)	16.606	2014-AP-BX-0234	317,952	-
Project Safe Neighborhoods				
Pass-Through from Safe City Commission, Inc.	16.609	2013-GP-BX-0005	22,009	-
Edward Byrne Memorial Justice Assistance Grant				
Pass-Through from the City of Fort Worth, Texas	16.738	2011-DJ-BX-2923	60,370	-

Tarrant County, Texas
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For the Year Ended September 30, 2014

Federal or State Grantor/ Pass-Through Grantor Program Title	CFDA Number	Grant/Contract Number	Expenditures	Subrecipient Amount
Pass-Through from the City of Fort Worth, Texas	16.738	2012-DJ-BX-1036	44,924	-
Pass-Through from the City of Fort Worth, Texas	16.738	2011-DJ-BX-2923	67,841	-
Pass-Through from the City of Fort Worth, Texas	16.738	2012-DJ-BX-1036	4,710	-
Total CFDA 16.738			<u>177,845</u>	<u>-</u>
DNA Backlog Reduction Program	16.741	2011-DN-BX-K406	212,298	-
Paul Coverdell Forensic Sciences Improvement Grant Program				
Pass-Through from Texas Office of the Governor, CJD	16.742	CD-13-A10-25258-03	113,040	-
Total CFDA 16.742			<u>113,040</u>	<u>-</u>
Second Chance Act Prisoner Reentry Initiative	16.812	2011-RY-BX-K009	172,224	-
Equitable Sharing Program (Asset Forfeiture Funds)-Sheriff	16.922	N/A	6,528	-
Total U.S. Department of Justice			<u>1,301,927</u>	<u>-</u>
U.S. DEPARTMENT OF TRANSPORTATION				
Highway Planning & Construction - Courtesy Patrol Program				
Pass-Through from Texas Department of Transportation	20.205	02-3XXF5006	725,388	-
Pass-Through from Texas Department of Transportation	20.205	02-4XXF5001	466,978	-
Total CFDA 20.205			<u>1,192,366</u>	<u>-</u>
National Priority Safety Programs				
Pass-Through from Texas Department of Transportation	20.616	2014-TarrantC-G-1YG-0056	37,788	-
Total U.S. Department of Transportation			<u>1,230,154</u>	<u>-</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
CDC - Prospective Comparison of the TST vs IGRAs				
Pass-Through from UNTHSC at Fort Worth	93.000	RF0049-2013-001	358	-
Pass-Through from UNTHSC at Fort Worth	93.000	RF0050-2014-001	137,101	-
Total CFDA 93.000			<u>137,459</u>	<u>-</u>
Medical Reserve Corps Small Grant Program				
Pass-Through from NACCHO	93.008	MRC-10-0155	1,426	-
Pass-Through from NACCHO	93.008	MRC-11-0155	281	-
Total CFDA 93.008			<u>1,707</u>	<u>-</u>
Public Health Emergency Preparedness				
Pass-Through from Texas Department of State Health Services	93.069	2014-001175-00	169,583	-
Pass-Through from Texas Department of State Health Services	93.069	2015-001175-00	21,883	-
Pass-Through from Texas Department of State Health Services	93.069	2014-001167-00	1,018,093	-

Tarrant County, Texas
Schedule of Expenditures of Federal and State Awards
For the Year Ended September 30, 2014

Federal or State Grantor/ Pass-Through Grantor Program Title	CFDA Number	Grant/Contract Number	Expenditures	Subrecipient Amount
Pass-Through from Texas Department of State Health Services	93.069	2015-001167-00	117,747	-
Pass-Through from Texas Department of State Health Services	93.069	2014-001169-00	282,365	-
Pass-Through from Texas Department of State Health Services	93.069	2015-001169-00	24,269	-
Total CFDA 93.069			<u>1,633,940</u>	-
Hospital Preparedness Program and Public Health Emergency Preparedness				
Pass-Through from Texas Department of State Health Services	93.074	2013-041148-002A	(406)	-
Pass-Through from Texas Department of State Health Services	93.074	2013-041148-005A	(20)	-
Pass-Through from Texas Department of State Health Services	93.074	2013-041148-003B	(130)	-
Total CFDA 93.074			<u>(556)</u>	-
Project Grants and Cooperative Agreements for Tuberculosis Control Programs				
Pass-Through from Texas Department of State Health Services	93.116	2014-001391-00	370,973	-
Pass-Through from Texas Department of State Health Services	93.116	2015-001391-00	56,456	-
Total CFDA 93.116			<u>427,429</u>	-
Coordinated Services & Access to Research for Women, Infants, Children and Youth				
Coordinated Services & Access to Research for Women, Infants, Children and Youth	93.153	6-H12HA24819-02-02	414,667	267,376
Coordinated Services & Access to Research for Women, Infants, Children and Youth	93.153	4-H12HA24819-03-01	63,962	34,861
Total CFDA 93.153			<u>478,629</u>	<u>302,237</u>
Immunization Cooperative Agreements				
Pass-Through from Texas Department of State Health Services	93.268	2014-001142-00	439,338	-
Pass-Through from Texas Department of State Health Services	93.268	2015-001142-00	128,021	-
Total CFDA 93.268			<u>567,359</u>	-
Centers for Disease Control & Prevention - Investigations & Tech. Assistance				
Centers for Disease Control & Prevention - Investigations & Tech. Assistance	93.283	ISDS-0909-01	6,686	-
Centers for Disease Control & Prevention - Investigations & Tech. Assistance	93.283	5U50OE000049-02	139,535	-
Centers for Disease Control & Prevention - Investigations & Tech. Assistance	93.283	5U50OE000049-03	11,395	-
Pass-Through from Texas Department of State Health Services	93.283	2012-041052-001	(65)	-
Pass-Through from Texas Department of State Health Services	93.283	2014-044968-001	61,396	-
Total CFDA 93.283			<u>218,947</u>	-
Promoting Safe and Stable Families				
Pass-Through from Texas Department of Family and Protective Services	93.556	23792901-2	282,499	216,083
Pass-Through from Texas Department of Family and Protective Services	93.556	23792901-4	6,048	-
Total CFDA 93.556			<u>288,547</u>	<u>216,083</u>
Temporary Assistance for Needy Families				
Pass-Through from Texas Department of State Health Services	93.558	2012-041212-001B	9,921	-
Pass-Through from Texas Department of State Health Services	93.558	2014-044968-001	23,145	-
Pass-Through from Texas Health and Human Services Commission	93.558	529-08-0110-00007	764,685	-
Pass-Through from Texas Health and Human Services Commission	93.558	529-08-0110-00007I	64,216	-

Tarrant County, Texas
Schedule of Expenditures of Federal and State Awards
For the Year Ended September 30, 2014

Federal or State Grantor/ Pass-Through Grantor Program Title	CFDA Number	Grant/Contract Number	Expenditures	Subrecipient Amount
Total CFDA 93.558			861,967	-
Refugee and Entrant Assistance-State Administered Programs				
Pass-Through from Texas Department of State Health Services	93.566	2013-041148-013	(780)	-
Pass-Through from Texas Department of State Health Services	93.566	2014-01163-00	1,212,954	-
Pass-Through from Texas Department of State Health Services	93.566	2015-01163-00	120,210	-
Total CFDA 93.566			1,332,384	-
Grants to States for Access and Visitation Programs				
Pass-Through from Texas Office of the Attorney General	93.597	13-C0109	53,550	-
Pass-Through from Texas Office of the Attorney General	93.597	13-C0109	6,000	-
Total CFDA 93.597			59,550	-
Foster Care Title IV-E				
Pass-Through from Texas Department of Family & Protective Services (CPS)	93.658	23941254	120,414	-
Pass-Through from Texas Department of Family and Protective Services (DA)	93.658	23941256	219,854	-
Pass-Through from Texas Juvenile Justice Division	93.658	TJPC-E-2009-220	100,496	-
Pass-Through from Texas Juvenile Justice Division	93.658	TJPC-E-2010-220	138,190	-
Total CFDA 93.658			578,954	-
Medical Assistance Program (Medicaid Administrative Claims)				
Pass-Through from Texas Department of Health and Human Services	93.778	7560011706-OE-01	243,934	-
Total CFDA 93.889			243,934	-
National Bioterrorism Hospital Preparedness Program				
Pass-Through from Texas Department of State Health Services	93.889	2014-001170-00	31,150	-
Total CFDA 93.889			31,150	-
HIV Emergency Relief Project Grants				
HIV Emergency Relief Project Grants	93.914	6-H89HA00047-18-02	1,854,274	1,301,933
HIV Emergency Relief Project Grants	93.914	6-H89HA00047-19-01	2,015,926	1,400,810
Total CFDA 93.914			3,870,200	2,702,743
HIV Care Formula Grants (Ryan White Part B)				
Pass-Through from Texas Department of State Health Services	93.917	2014-001453-00	1,305,531	836,527
Pass-Through from Texas Department of State Health Services	93.917	2015-001453-00	77,583	45,146
Total CFDA 93.917			1,383,114	881,673
Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease				
Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease	93.918	6-H76HA00123-22-05	276,876	141,945
Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease	93.918	6-H76HA00123-23-02	540,524	268,864
Total CFDA 93.918			817,400	410,809

Tarrant County, Texas
Schedule of Expenditures of Federal and State Awards
For the Year Ended September 30, 2014

Federal or State Grantor/ Pass-Through Grantor Program Title	CFDA Number	Grant/Contract Number	Expenditures	Subrecipient Amount
HIV Prevention Activities-Health Department Based				
Pass-Through from Texas Department of State Health Services	93.940	2013-041148-009	(720)	-
Pass-Through from Texas Department of State Health Services	93.940	2014-001322-00	292,183	-
Pass-Through from Texas Department of State Health Services	93.940	2015-001322-00	78,829	-
Pass-Through from Texas Department of State Health Services	93.940	2015-001372-00	2,899	-
Total CFDA 93.940			<u>373,191</u>	<u>-</u>
HIV/AIDS Surveillance				
Pass-Through from Texas Department of State Health Services	93.944	2014-001372-00	96,220	-
Total CFDA 93.944			<u>96,220</u>	<u>-</u>
Preventive Health Services - STD Control Grants				
Pass-Through from Texas Department of State Health Services	93.977	2014-001322-00	397,006	-
Total CFDA 93.940			<u>397,006</u>	<u>-</u>
Total U.S. Department of Health and Human Services			<u>13,798,531</u>	<u>4,513,545</u>
U.S. DEPARTMENT OF HOMELAND SECURITY/FEMA				
Non-Profit Security Program				
Pass-Through from Texas Department of Public Safety-Emergency Mgmt.	97.008	12-GA-48439-02	(46,433)	-
Total CFDA 97.008			<u>(46,433)</u>	<u>-</u>
Emergency Food and Shelter National Board Program	97.024	Phase XXXI	25,517	-
Homeland Security Grant Program				
Pass-Through from Texas Department of Public Safety-Emergency Mgmt.	97.067	11-SR-48439-01	36,128	-
Pass-Through from Texas Department of Public Safety-Emergency Mgmt.	97.067	12-GA-48439-02	193,921	-
Pass-Through from Texas Department of Public Safety-Emergency Mgmt.	97.067	13-SR-48439-01	122,366	-
Pass-Through from Texas Department of Public Safety-Emergency Mgmt.	97.067	11-SR-48439-02	(7,694)	-
Pass-Through from Texas Department of Public Safety-Emergency Mgmt.	97.067	12-SR-48439-03	61	-
Total CFDA 97.067			<u>344,782</u>	<u>-</u>
Total U.S. Department of Homeland Security/FEMA			<u>323,866</u>	<u>-</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 51,704,108</u>	<u>\$6,648,872</u>
STATE FINANCIAL ASSISTANCE:				
TEXAS DEPARTMENT OF STATE HEALTH SERVICES				
HIV Care Formula Grants (Ryan White Part B)	N/A	2014-001453-00	\$ 549,400	\$ 534,745
HIV Care Formula Grants (Ryan White Part B)	N/A	2015-001453-00	75,244	75,244
HIV Prevention Activities-Health Department Based (HIV Prevention)	N/A	2014-001323-00	363,303	-

Tarrant County, Texas
Schedule of Expenditures of Federal and State Awards
For the Year Ended September 30, 2014

Federal or State Grantor/ Pass-Through Grantor Program Title	CFDA Number	Grant/Contract Number	Expenditures	Subrecipient Amount
HIV Prevention Activities-Health Department Based (HIV Prevention)	N/A	2015-001323-00	39,211	-
TB/PC-Tuberculosis Control	N/A	2014-001447-00	601,961	-
TB/PC-Tuberculosis Control	N/A	2015-001447-00	64,784	-
Immunization Division	N/A	2014-001142-00	800,526	-
Infectious Disease Control Unit/FLU Lab	N/A	2014-001152-00	4,806	-
Infectious Disease Control Unit/FLU Lab	N/A	2015-001152-00	4,819	-
Preventive Health and Health Services Block Grant	N/A	2014-001216-00	305,538	-
Preventive Health and Health Services Block Grant	N/A	2015-001216-00	25,741	-
State-Based Comprehensive Breast & Cervical Cancer Early Detection Program	N/A	2012-041212-001B	57,207	-
Milk & Dairy/ FFS	N/A	2012-038797-001	68,485	-
Milk & Dairy/ FFS	N/A	2013-041779-001	106,713	-
Influenza Incidence Surveillance Project	N/A	2012-040184-001	967	-
Influenza Incidence Surveillance Project	N/A	2014-002511-00	7,715	-
Foodborne Illness Surveillance & Investigation	N/A	2014-045634	4,737	-
Total Texas Department of State Health Services			<u>3,081,157</u>	<u>609,989</u>
OFFICE OF THE GOVERNOR, CRIMINAL JUSTICE DIVISION				
Family Drug Court	N/A	SF-14-A10-19697-07	39,197	-
Veterans Court Project	N/A	DC-13-A10-22852-04	1,192	-
Veterans Court Project	N/A	DC-14-A10-22852-05	252,488	-
Veterans Court Project	N/A	DC-22852-06	18,080	-
Reaching Independence through Self Empowerment (RISE)	N/A	SF-14-A10-25895-02	90,832	-
Reaching Independence through Self Empowerment (RISE)	N/A	SF-25895-03	13,248	-
Life Skills Training	N/A	SF-14-J20-25540-02	73,404	-
Life Skills Training	N/A	SF-25540-03	6,533	-
First Offender Program	N/A	SF-14-J20-25707-02	74,624	-
First Offender Program	N/A	SF-25707-03	5,376	-
DIRECT Court Program	N/A	SF-14-A10-16036-13	246,519	-
DIRECT Court Program	N/A	SF-16036-14	21,122	-

Tarrant County, Texas
Schedule of Expenditures of Federal and State Awards
For the Year Ended September 30, 2014

Federal or State Grantor/ Pass-Through Grantor Program Title	CFDA Number	Grant/Contract Number	Expenditures	Subrecipient Amount
Mental Health Diversion Court Program	N/A	SF-14-A10-18289-08	107,019	-
Mental Health Diversion Court Program	N/A	SF-18289-09	7,346	-
Felony Alcohol Intervention Program	N/A	SF-14-A10-20458-05	115,536	-
Felony Alcohol Intervention Program	N/A	SF-20458-06	12,857	-
Domestic Violence Intervention Prog.-Pretrial Diversion Court (VAWA)	N/A	SF-14-V30-15136-15	89,508	-
CSCD State Court Drug Training	N/A	SF-14-A10-27337-01	163,574	-
Total Office of the Governor, Criminal Justice Division			1,338,455	-
TEXAS DEPARTMENT OF MOTOR VEHICLES/AUTO BURGLARY AND THEFT PREVENTION AUTHORITY				
Tarrant Regional Auto Crimes Task Force	N/A	SA-T01-10065-13	(1,385)	-
Tarrant Regional Auto Crimes Task Force	N/A	2014-T01-Tarrant-00032	1,039,674	-
Tarrant Regional Auto Crimes Task Force	N/A	2015-T01-Tarrant-00025	73,612	-
Total Department of Motor Vehicles/Auto Burglary and Theft Prevention Authority			1,111,901	-
TEXAS DEPARTMENT OF TRANSPORTATION				
Highway Planning & Construction - Courtesy Patrol Program	N/A	02-3XXF5006	181,347	-
Highway Planning & Construction - Courtesy Patrol Program	N/A	02-4XXF5001	116,745	-
Transportation Infrastructure Fund	N/A	N/A	185,923	-
Total Department of Transportation			484,015	-
TEXAS COMMISSION ON ENVIRONMENTAL QUALITY				
Pass-Through From North Central Texas Council of Governments				
AirCheck Texas Repair and Replacement Program	N/A	582-9-90416-18	843,532	843,532
Local Initiatives Projects - Emissions Task Force	N/A	582-8-89958	261,218	-
Total Texas Commission on Environmental Quality			1,104,750	843,532
TEXAS HEALTH AND HUMAN SERVICES COMMISSION				
Texas Nurse-Family Partnership	N/A	529-08-0110-00007	(63,476)	-
Pass-Through From Mental Health Mental Retardation of Tarrant County				
Foster Care Treatment	N/A	N/A	4,820	-
Total Texas Health and Human Services Commission			(58,656)	-
OFFICE OF THE ATTORNEY GENERAL				
Bilingual Victims Assistance Coordinator	N/A	1444629	36,250	-
Bilingual Victims Assistance Coordinator	N/A	1553213	6,239	-

Tarrant County, Texas
Schedule of Expenditures of Federal and State Awards
For the Year Ended September 30, 2014

Federal or State Grantor/ Pass-Through Grantor Program Title	CFDA Number	Grant/Contract Number	Expenditures	Subrecipient Amount
Texas Statewide Automated Victim Notification Service (SAVNS)	N/A	1555523	75,025	-
Total Office of the Attorney General			<u>117,514</u>	<u>-</u>
 TEXAS INDIGENT DEFENSE COMMISSION				
Indigent Defense Formula Grant	N/A	212-14-220	2,502,978	-
Assessment of Technology Process Management Proposals	N/A	212-TS-220	18,786	-
Web-based Indigent Defense Appointment and Compliance Monitoring System	N/A	212-14-D09	805,521	-
Total Texas Indigent Defense Commission			<u>3,327,285</u>	<u>-</u>
 TEXAS DEPARTMENT OF FAMILY AND PROTECTIVE SERVICES				
Promoting Safe and Stable Families - CYD Project - FY2014	N/A	23792901-2	94,166	72,028
Promoting Safe and Stable Families - CYD Project - FY2014	N/A	23792901-4	2,016	-
Total Texas Department of Family and Protective Services			<u>96,182</u>	<u>72,028</u>
 TOTAL EXPENDITURES OF STATE AWARDS			<u>\$ 10,602,604</u>	<u>\$1,525,549</u>
TOTAL EXPENDITURES OF FEDERAL AND STATE AWARDS			<u>\$ 62,306,711</u>	<u>\$8,174,421</u>

See Notes to Schedule of Expenditures of Federal and State Awards.

TARRANT COUNTY, TEXAS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED SEPTEMBER 30, 2014

1. Basis of Accounting - 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.

Federal grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant, and accordingly, when such funds are received, they are recorded as unavailable revenues until earned. The accompanying schedule of expenditures of federal and state awards is presented on the modified accrual basis of accounting.

2. The period of availability for federal and state grant funds for the purpose of liquidation of outstanding obligations made on or before the ending date of the federal and state project period extends 30 days beyond the federal project period ending date, in accordance with provisions in Section H: Period of Availability of Federal Funds, Part 3, *OMB Circular A-133 Compliance Supplement*.
3. The County participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustments by the grantor agencies; therefore, to the extent that the County has not complied with rules and regulations governing the grants, refund of any money received may be required and the collectability of any related receivable at September 30, 2014, may be impaired.

**TARRANT COUNTY, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

Section I—Summary of Auditors' Results

Financial Statements

1. Type of auditor's report issued: Unmodified

Internal control over financial reporting:

2. Material weaknesses identified? _____ yes X no

3. Significant deficiencies identified that are not considered to be material weaknesses? X yes _____ none reported

4. Noncompliance material to financial statements noted? _____ yes X no

Federal Awards

Internal control over major programs:

5. Material weaknesses identified? _____ yes X no

6. Significant deficiencies identified that are not considered to be material weaknesses? X yes _____ none reported

7. Type of auditor's report issued on compliance for major programs: Unqualified

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

9. Identification of major programs:

Federal:

10.557 WIC

14.871 Section 8 Housing Choice Vouchers

93.069 Public Health Emergency Preparedness

93.268 Immunization Cooperative Agreements

State:

Tuberculosis Control

Aircheck Texas

Indigent Defense Formula Grant

Web-based Indigent Defense Appointment and Compliance Monitoring

Tarrant Regional Auto Crimes

10. Dollar threshold used to distinguish between Type A and Type B programs:

Federal \$1,549,000

State \$318,000

11. Auditee qualified as low-risk auditee? _____ yes X no

Section II—Financial Statement Findings

2014-001 User Access Management and Security

Significant Deficiency in controls

Criteria – Privileged, especially highest level, system access should be restricted only to those who require such access based on assigned job responsibilities.

Condition – During our testing of design and implementation of the configuration and management of system user access controls, we noted that the powerful SAP default profile “SAP_ALL” was granted to SAP team members / contractors.

Cause – The County had granted the powerful default SAP profile (SAP_ALL) to the SAP team members in order provide back-up access for the performance of job functions as needed in the system.

Perspective – We noted 8 individuals having such access to the SAP_ALL profile at the time of our testing. Profiles had existed for more than one year.

Asserted Effect – Assignment of access privileges protect the County’s systems from inappropriate access and failure to enforce may lead to unauthorized access and transactions being executed, compromising the intended security of the system, segregation of duties, and potentially causing lack of integrity and reliability of information produced by the systems.

Recommendation – SAP security or BASIS administrators should be granted access commensurate with their job responsibilities through specific roles or profiles designed to align with their job responsibilities. Temporary access should be removed after tasks requiring such access is complete.

Management should consistently enforce policies and procedures related to assignment of roles and responsibilities commensurate with each user’s job responsibilities. Applicable controls should be reviewed to note that roles / profiles being granted are based on users’ responsibilities.

View of Responsible Officials – See corrective action plan.

2014-002 Calculation of the Pension and OPEB Net Asset/Obligation

Significant Deficiency in Controls

Criteria – Generally accepted accounting principles require the County to calculate and record a net pension and other post-employment benefits (“OPEB”) obligation or asset representing the differences between the Annual Required Contribution as determined by the pension or OPEB actuaries and the amount actually contributed to the plans each year by the employer adjusted annually for actuarial and interest adjustments.

Condition – Previous and current year calculations of the net pension asset failed to consider the pre-payments made by the County to the Pension Plan designed to help fund the cost of living adjustments. Such payments were expensed as paid rather than recorded as a pension asset since they were not part of the Annual Required Contribution. In addition, previous and current year calculations of the net OPEB obligation failed to consider the actuarially determined annual amortization of the previous year’s obligation balance.

Cause – The calculations for pension and OPEB amounts are very complex and require a good understanding of the accounting standards and the work performed by the specialists.

Perspective – Prior year’s net position was understated by \$16.494 million. The current year adjustment to the statement of activities was an increase to net position of \$11.397 million. Overall, the ending net pension asset as of September 2014 was increased by \$9.112 million and ending net OPEB obligation as of September 2014 was decreased by \$18.779 million.

Asserted Effect – The misunderstanding of the proper calculation method for the net OPEB obligation and recording of net pension asset resulted in adjustments to both current and prior year net position.

Recommendation – Improve communication and information flow between County staff and the actuaries. Consider the need for additional training of County staff on the proper accounting for pension and OPEB liabilities.

View of Responsible Officials – See corrective action plan.

Section III—Federal Award Findings and Questioned Costs

2014-003 CFDA 10.557 Special Supplemental Nutrition Program for Women, Infants and Children (“WIC”) – Department of Agriculture, Passed Through the Texas Department of State Health Services

Suspension and Debarment – Significant Deficiency in Controls and Noncompliance with Grant Requirements

Criteria – 30 CFR 80 and 34 CFR 85 specify requirements related to competitive bidding. Such requirements include maintaining documentation related to the evaluation, selection and award bids, consideration of suspension/debarred status of potential vendors, and possible conflicts of interest.

Condition – We noted one instance in which there was no documentation that the vendor was checked for suspension and debarment.

Cause – County policies and procedures were not consistently followed and adhered to by department personnel throughout the purchasing process in this instance.

Questioned Costs – None

Perspective – The only WIC contract requiring a check for suspension and debarment (greater than \$25,000) was not verified.

Asserted Effect – Absence of proper verification could result in contracts being awarded to suspended or debarred parties, which may result in nonperformance by vendors.

Recommendation – Ensure procedures are in place and operating to verify all vendors for potential federal suspension and debarment with contracts of \$25,000 or greater prior to contract execution.

View of Responsible Officials – See corrective action plan.

2014-004 CFDA 10.557 Special Supplemental Nutrition Program for Women, Infants and Children (“WIC”) – Department of Agriculture, Passed Through the Texas Department of State Health Services

Eligibility – Significant Deficiency in Controls and Noncompliance with grant requirements

Criteria – In accordance with 7 CFR 246.2 and 246.7(e), for each WIC-program applicant, a competent professional authority (e.g., physician, nutritionist, registered nurse, or other health professional) must determine that the applicant is at nutritional risk using the specific allowable nutritional risk criteria as defined in WIC policy guidance. The certifying agency must perform and document a number of items, including a nutritional risk assessment to determine participant eligibility.

Condition – Similar to findings noted in a report dated May 27, 2014 by the Texas Department of State Health Services, a completed nutritional risk assessment was not included in the file for one participant selected for testing.

Cause – Clinic staff failed to review the applicant file for completeness prior to granting WIC eligibility status. While it appeared that the staff understood the eligibility criteria and used the assessment forms, one file selected for testing was incomplete and was not noted as such in the staff review process.

Questioned Costs – None

Perspective – One of 40 participant files selected for testing did not contain documentation of the performance of a nutritional risk assessment (typically completed by a registered nurse) used to aid in the determination of participant eligibility.

Asserted Effect – Nutritional assessments are conducted to ensure that services are provided to eligible women, infants and children. Failure to conduct necessary assessments can result in errors in services provided to applicants and increase the risk of failure to properly determine eligibility.

Recommendation – Ensure that each file includes all required elements necessary to determine eligibility – including a nutritional assessment completed by a competent professional authority – prior to accepting the applicant into the WIC program.

View of Responsible Officials – See corrective action plan.

2014-005 CFDA 14.871 Section 8 Housing Choice Voucher Program – Department of Housing and Urban Development

Special Tests: Tenant Utility Allowances – Significant Deficiency in Controls

Criteria – In accordance with 24 CFR 982.517, utility allowances should be determined based on the typical cost of utilities and services paid by energy-conservative households that occupy housing of similar size and type in the same locality.

Condition – During our test of tenant utility allowances, we noted that when completing the annual reassessment form used to calculate utility allowances, housing office staff used the incorrect utility allowance based on the type of housing occupied by the family. However, in this instance, total allowable payments did not change.

Cause – Lack of sufficient review of the reassessment form resulted in incorrect information that did not agree to source data provided by the family in their application/in the third party verification information.

Questioned Costs – None, as the use of a different schedule did not change the housing assistance payment amount in this instance.

Perspective – One of 40 selections contained an exception whereby source data did not agree to the assessment or reassessment form.

Asserted Effect – Payments to ineligible participants or for unallowable costs may occur if third party data is entered into the forms/systems in error, thereby reducing the number of eligible applicants who can participate in the program.

Recommendation – Carefully review data entry against applicant and third-party verification information. Ensure that responsible employees fully understand the importance of performing a detailed comparison of such data entry and resolve any exceptions in a timely manner.

View of Responsible Officials – See corrective action plan.

2014-006 CFDA 14.871 Section 8 Housing Choice Voucher Program – Department of Housing and Urban Development

Special Tests: Enforcement – Significant Deficiency in Controls and Noncompliance with Grant Requirements

Criteria – In accordance with 24 CFR sections 982.158(d) and 982.404, “for units under housing assistance payment (“HAP”) contract that fail to meet housing quality standards (“HQS”), the public housing agency (“PHA”) must require the owner to correct any life threatening HQS deficiencies within 24 hours after the inspections and all other HQS deficiencies within 30 calendar days or within a specified PHA-approved extension. If the owner does not correct the cited HQS deficiencies within the specified correction period, the PHA must stop (abate) HAPs beginning no later than the first of the month following the specified correction period or must terminate the HAP contract.”

Condition – HQS deficiencies related to one of the units under a HAP contract that failed its annual inspection were corrected by the owner 95 days subsequent to the initial inspection. No evidence of reinspections or other communications were available for review. Housing assistance payments continued to be made to the owner during the correction period.

Cause – County housing personnel maintain tracking information on multiple spreadsheets for purposes of monitoring inspections, reinspections, violations, HAP contracts, and other grant related information. While certain information is required to be tracked in the federal HUD reporting system, various spreadsheets appear to have key information, which appears to be sometimes incomplete in certain places and makes it difficult for comprehensive monitoring.

Questioned Costs –\$1,755 – Calculated as the rent of the unit that failed inspection for 2 months and 5 days (days between the 30 day HUD deadline for reinspection and actual reinspection date).

Perspective – One in 50 inspections selected for testing included a failed inspection for which enforcement action was not appropriately taken within 30 days from the inspection failure.

Asserted Effect – Failure to take appropriate action following failed inspections may result in the payment of grant funds to ineligible participants as well as continued unsafe conditions for tenants of such housing units.

Recommendation – Implement procedures to ensure a comprehensive tracking and monitoring system that includes all of the HAP contracts and that reminders for reinspections are automatic. Consider whether systematic abatement of HAP payments can be triggered if reinspections are not completed and documented.

View of Responsible Officials – See corrective action plan.

CORRECTIVE ACTION PLAN

2014-001 User Access Management and Security

Significant Deficiency in Controls

Responsible Party – Keith Hughes, Senior IT Resource Manager – ERP CoE

Corrective Action – In order to address these findings, Tarrant County will implement the following changes to SAP user roles and permissions:

- Tarrant County confirmed that only five individuals are currently assigned to the SAP_ALL profile. There are three additional users with this profile that are currently deactivated.
- Tarrant County will create two new roles (Z_TC_BASIS and Z_TC_Role Admin) which are specific to the job responsibilities of the Basis team. These roles will replace the use of the SAP_ALL profile.
- Tarrant County will create a procedure that supports the temporary assignment of the SAP_ALL profile in emergency circumstances. Requests for the use of this profile will need to include a detailed explanation and specified time period for access. In addition, the approval from the following individuals will be required:
 - Information Security Officer
 - Application Development and Support Director or ERP CoE Manager.
- Tarrant County will continue to annually review profiles as part of the SAP Licenses Audit but will include additional steps to validate the utilization of the most critical.

Expected Completion Date – June 30, 2015

2014-002 Calculation of the Pension and OPEB Net Asset/Obligation

Significant Deficiency in Controls

Responsible Party – Suzanne McKenzie, Director of Grant and Financial Reporting and Laura Weist, Financial Services Manager

Corrective Action – The following corrective action plan will be implemented to ensure correct recording of the OPEB liability and net pension asset or obligation.

- Financial accounting staff will formally request, in writing to the County Administrator, the PEBC Executive Director, for the actuaries to provide additional information and schedules.
- Financial accounting staff will gain a greater understanding of the relationship between the GASB statement and the actuarial reports by attending training.

Expected Completion Date – September 30, 2015

2014-003 CFDA 10.557 Special Supplemental Nutrition Program for Women, Infants and

Children (“WIC”) – Department of Agriculture, Passed Through the Texas Department of State Health Services

Suspension and Debarment – Significant Deficiency in Controls and Noncompliance with Grant Requirements

Responsible Party – Patti Shosid, Grant Manager Auditor’s Office

Corrective Action – There is a process in place to check for suspension and debarment for all contracts and purchase orders. Utility payments do not go through either of these processes. We have checked the debarment list for all utility providers on grant funded programs. None were on the list. We will continually check new providers and perform a comprehensive check of all utility providers on or about March 1 of each year.

Expected Completion Date – June 30, 2015

2014-004 CFDA 10.557 Special Supplemental Nutrition Program for Women, Infants and Children (“WIC”) – Department of Agriculture, Passed Through the Texas Department of State Health Services

Eligibility – Significant Deficiency in Controls and Noncompliance with grant requirements

Responsible Party – Michelle Cummings, Area Coordinator, TCPH WIC Program

Corrective Action – The referenced WIC participant chart was reviewed and it was determined that the VENA (Value Enhanced Nutrition Assessment) documentation tool was not completed by the nutritionist on January 7, 2014. All additional nutritional assessment forms including the health history form, the growth chart, and the participant form were available and completed accurately. The error was reviewed with the nutritionist on March 6, 2015. The nutritionist’s previous chart audits were also reviewed to determine if this is a re-occurring issue. The nutritionist’s chart audits and LA audit for 2014 did not reflect this concern. The Local Agency (LA) auditor also confirmed that this error is rarely noted on other nutritionist’s audits keeping our audits with the allowable 20% error rate.

To ensure that all Tarrant County WIC employees follow the required procedures set forth by the WIC Program, peer chart audits are completed each month. Clinic employees have ten of their charts audited by their co-workers. The required State WIC audit is also completed each year by the LA Auditor with the goal of completing two if possible. During this audit each employee is monitored on all certification procedures. Participant charts for each employee are also reviewed by the auditor. Once the audits are complete they are reviewed by the Area Coordinators in charge of each clinic.

Re-occurring problems for individual employees are addressed by retraining on the topic. If the problem is re-occurring with several employees, the plan of action is to create a self-paced training or present the information at the next all staff meeting.

In reference to the comment about the audit by the Texas Department of State Health Services, it was noted that only one of two biannual internal audits of eligibility files was performed during the 2014 fiscal year and follow up on the internal audit performed during the year was not completed. Texas Department of State Health Services requires all LAs to complete one internal audit each year. In response to the 2014 State Audit, Tarrant County WIC Program’s Quality Assurance Plan was updated in July 2014 to read that clinic staff will be audited at least one time each year, preferably twice if time allows on all clinical processes and procedures.

Expected Completion Date – June 30, 2015

2014-005 CFDA 14.871 Section 8 Housing Choice Voucher Program – Department of Housing and Urban Development

Eligibility – Significant Deficiency in Controls

Responsible Party – Wayne Pollard, Tarrant County Director of Housing

Corrective Action – Tarrant County Housing Assistance Office (TCHAO) staff inadvertently selected the Multifamily Utility Allowance sheet instead of the Single Family Utility Allowance sheet in our housing software, which caused the error. Beginning immediately, TCHAO staff will recheck their calculations and verify they used the correct utility allowance worksheet. We will increase the number of our Quality Control files that are reviewed during this fiscal year.

Expected Completion Date – June 30, 2015

2014-006 CFDA 14.871 Section 8 Housing Choice Voucher Program – Department of Housing and Urban Development

Special Tests: Enforcement – Significant Deficiency in Controls and Noncompliance with Grant Requirements

Responsible Party – Wayne Pollard, Tarrant County Director of Housing

Corrective Action – Tarrant County Housing Assistance Office (TCHAO) disputes the above finding. TCHAO conducted the Annual Inspection on 1/17/14 and the unit failed the inspection. TCHAO conducted a re-inspection on the failed unit on 2/14/14 but there was no one present to allow access to the unit. We deemed this re-inspection as a NO SHOW. TCHAO met the 30 day requirement by attempting to inspect the unit on 2/14/14. TCHAO does not penalize the owner because no one showed up for the inspection. TCHAO sent letters on January 21, 2014 to the owner and program participant informing them of the re-inspection.

Expected Completion Date – June 30, 2015

STATUS OF PRIOR YEAR FINDINGS

None
