

**PRINCE GEORGE'S COUNTY, MARYLAND**

**REPORT ON SINGLE AUDIT  
June 30, 2012**

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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 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, 2012, which collectively comprise the County's basic financial statements and have issued our report thereon dated January 17, 2013. 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**

Management of the County is responsible for establishing and maintaining effective 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 opinions 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 in the accompanying schedule of findings and questioned costs as items 2012-01 through 2012-11 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*.

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, others within the entity, 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.

A handwritten signature in black ink that reads "Clifton Larson Allen LLP". The signature is written in a cursive, flowing style.

Baltimore, Maryland  
January 17, 2013



**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, 2012. 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 may have received federal awards, and which are not included in the accompanying schedule of expenditures of federal awards for the year ended June 30, 2012. 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 below and 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>
2012-12	14.218,14.253 Community Development Block Grant	Sub-recipient Monitoring
2012-14	14.218,14.253 Community Development Block Grant Block Grant	Special tests and Provisions- Environmental Review

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, 2012.

The results of our audit procedures also disclosed other instances of noncompliance with suspension and debarment, reporting and allowable costs/activities that are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 2012-13, 2012-15 and 2012-16.

### **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, and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is 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 2012-12 and 2012-14 to be material weaknesses.

A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2012-13, 2012-15 and 2012-16 to be significant deficiencies.

### **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, 2012, which collectively comprise the County's basic financial statements and have issued our report thereon dated January 17, 2013. 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 13% of the total assets, 28% of total net assets and 11% of total revenues of the aggregate discretely presented component units as of and for the year ended June 30, 2012. The federal expenditures, where applicable, for 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 our opinions on the financial statements that collectively comprise the County's 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. The schedule of expenditures of federal awards 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. Such information has been subjected to the auditing procedures applied in the audit of the basic 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 information 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.



Baltimore, Maryland  
March 29, 2013, except for the Schedule of Expenditures  
of Federal Awards which is dated January 17, 2013

**PRINCE GEORGE'S COUNTY, MARYLAND**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Year Ended June 30, 2012**

Federal Agency/Pass-through Entity Program Name	Federal Catalog Number	Federal Expenditure by Program	Total Federal Expenditure
<b><u>U.S. DEPARTMENT OF AGRICULTURE (USDA)</u></b>			
<b><u>PASS-THROUGH MARYLAND</u></b>			
<b><u>DEPARTMENT OF EDUCATION (MSDE)</u></b>			
<b>Summer Food Service for Children</b>			
Summer Food Program	10.559	\$ 481,801	\$ 481,801
<b>Emergency Food Assistance Cluster:</b>			
<b>Food and Nutrition Services-Donated Commodities</b>			
Emergency Food Assistance (TFAP)	10.568	55,799	55,799
<b><u>PASS-THROUGH MARYLAND</u></b>			
<b><u>DEPARTMENT OF HUMAN RESOURCES (MDHR)</u></b>			
<b>Food and Nutrition Services-Admin.</b>			
Emergency Food Assistance (Commodities)	10.569	269,906	269,906
<b><u>PASS-THROUGH MARYLAND</u></b>			
<b><u>DEPARTMENT OF HEALTH AND MENTAL HYGIENE (DHMH)</u></b>			
<b>Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)</b>			
WIC	10.557	2,504,876	
WIC Breastfeeding Peer Counseling	10.557	225,423	
WIC Renovations	10.557	(24,034)	
WIC Vouchers	10.557	12,768,493	15,474,758
<b>Child and Adult Food Care Program</b>			
Child and Adult Care Food Program	10.558	76,498	76,498
<b>TOTAL U.S. DEPARTMENT OF AGRICULTURE</b>			<b>16,358,762</b>
<b><u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD)</u></b>			
<b><u>Direct</u></b>			
<b>Community Development Block Grants</b>			
<b>/Entitlement Grants (CDBG)</b>			
Community Development Block Grant	14.218	6,956,487	
ARRA - Community Development Block Grant -R	14.253	359,848	7,316,335
<b>Emergency Shelter Grants Program</b>			
Emergency Shelter	14.231	260,877	260,877
<b>Supportive Housing Program</b>			
Permanent Housing Operating	14.235	21,832	
Permanent Housing Supportive	14.235	84,594	
Permanent Housing Admin	14.235	18,074	
Permanent Housing Leasing	14.235	266,681	
Transitional Center for Men	14.235	125,419	
ATOP/THP-Operating	14.235	96,013	
ATOP/THP-Supportive SVC	14.235	365,093	
ATOP/THP-Admin	14.235	63,069	
ATOP/THP-Lease	14.235	769,070	
THP - Admin	14.235	653	
THP - Leasing	14.235	3,094	1,813,592
<b>Home Investment Partnerships Program (HOME)</b>			
Home Investment Partnerships Program	14.239	9,531,345	9,531,345
<b>Community Development Block Grants</b>			
<b>/Entitlement Grants (CDBG)</b>			
ARRA - NSP	14.256	631,858	631,858
<b>Homeless Prevention and Rapid Re-Housing Program</b>			
ARRA - HPRP	14.257	741,302	741,302



**PRINCE GEORGE'S COUNTY, MARYLAND**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Year Ended June 30, 2012**  
(Continued)

Federal Agency/Pass-through Entity Program Name	Federal Catalog Number	Federal Expenditure by Program	Total Federal Expenditure
<b><u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD)</u></b>			
<b><u>Direct (cont.)</u></b>			
<b><u>PASS-THROUGH MARYLAND</u></b>			
<b><u>DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT</u></b>			
ARRA - NCI <b>Weatherization Assistance for Low-Income Persons</b>	14.256	\$ 76,834	\$ 76,834
ARRA - Weatherization Assistance Program <b>Homeless Prevention and Rapid Re-Housing Program</b>	81.042	765,500	765,500
ARRA - HPRP	14.257	83,403	83,403
<b><u>MARYLAND DEPARTMENT OF HEALTH AND MENTAL HYGIENE</u></b>			
Shelter Plus	14.238	471,416	<u>471,416</u>
<b>TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>			<u>21,692,462</u>
<b><u>BUREAU OF ALCOHOL, TOBACCO, AND FIREARMS (ATF)</u></b>			
<b><u>Direct</u></b>			
<b>Edward Byrne Memorial Grants State and Local Enforcement Assistance Discretionary Grants</b>			
MD Reg Gang Initiative Youth	16.580	1,515	<u>1,515</u>
<b>TOTAL BUREAU OF ALCOHOL, TOBACCO, AND FIREARMS</b>			<u>1,515</u>
<b><u>U.S. DEPARTMENT OF JUSTICE (DOJ)</u></b>			
<b><u>Direct</u></b>			
<b>Supervised Visitation, Safe Haven for Children</b>			
Safe Haven	16.527	30,114	30,114
<b>National Institute of Justice, Research, Evaluation and Development Grants</b>			
DEA-MATF	16.560	18,584	18,584
<b>Part E - Developing, Testing and Demonstrating Promising New Programs</b>			
Educational Assessment and Intervention for DJS for Involved Youth <b>State Criminal Alien Assistance Program</b>	16.541	94,902	94,902
SCAPP	16.606	312,158	312,158
<b>Public Safety Partnership and Community Policing Grants</b>			
ARRA - COPS Hiring Recovery Grant	16.710	2,930,504	2,930,504
<b>Edward Byrne Memorial Justice Assistance Grant Program</b>			
Byrne Memorial Justice Assistance	16.738	1,192,749	1,192,749
<b>Community-Defined Solutions to Violence Against Women Grant Program</b>			
Domestic Violence Response Team	16.590	188,558	188,558
<b>Forensic DNA Backlog Reduction Program</b>			
Rafis DNA Backlog	16.743	494,875	494,875
<b>Alcohol Traffic Safety and Drunk Driving Prevention Incentive Grants</b>			
Metro Area Task Force	16.000	7,469	7,469
<b>Alcohol, Tobacco, and Firearms-Training Assistance</b>			
ATF Task Force	16.000	7,097	7,097
<b>DOJ - Public Safety Partnership and Community Policy Grants</b>			
DOJ COPS Technology	16.710	14,967	14,967
<b>Second Chance Act Prisoner Reentry Initiative</b>			
Second Chance Act Prisoner Reentry	16.812	97,399	<u>97,399</u>
Subtotal Direct Payments:			<u>5,389,376</u>

**PRINCE GEORGE'S COUNTY, MARYLAND**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Year Ended June 30, 2012**  
(Continued)

Federal Agency/Pass-through Entity Program Name	Federal Catalog Number	Federal Expenditure by Program	Total Federal Expenditure
<b><u>U.S. DEPARTMENT OF JUSTICE (DOJ) (Cont.)</u></b>			
<b><u>PASS-THROUGH UNIVERSITY OF MARYLAND</u></b>			
Edward Byrne Memorial Formula Grant Program			
Congressionally Recommended Award-Gang Initiative	16.000	\$ 576,173	\$ 576,173
<b><u>PASS-THROUGH MARYLAND CRIME CONTROL AND PREVENTION</u></b>			
<b><u>Violence Against Women Formula Grants</u></b>			
Stop Violence Women	16.588	70,735	
DV Intake Advocacy Project	16.588	29,797	
Domestic Violence Council	16.588	14,433	114,965
<b><u>Juvenile Justice and Delinquency Prevention</u></b>			
<b><u>- Allocation To States</u></b>			
DMC Coordinator	16.540	37,285	37,285
<b><u>Forensic DNA Backlog Reduction Program</u></b>			
	16.742	55,233	55,233
<b><u>Forensic Case DNA Backlog</u></b>			
	16.743	9,682	9,682
<b><u>Edward Byrne Memorial Justice Assistance Grant (JAG) Program</u></b>			
<b><u>/ Grants to States and Territories - Recovery Act</u></b>			
ARRA - Warrant Reduction	16.803	1,992	
ARRA - Mortgage and Foreclosure Fraud	16.803	12,449	
ARRA - Aftercare Inmates	16.803	34,349	
ARRA - COPS Hiring	16.803	(3,873)	
ARRA - DBRA Lab Enhancement	16.803	144,036	188,953
<b><u>Edward Byrne Memorial Justice Assistance Grant (JAG) Program</u></b>			
<b><u>/ Grants To Units Of Local Government-Recovery Act</u></b>			
ARRA - Byrne JAG	16.804	428,008	428,008
<b><u>PASS-THROUGH MARYLAND</u></b>			
<b><u>DEPARTMENT OF HUMAN RESOURCES (DHR)</u></b>			
<b><u>Law Enforcement Assistance-Uniform Crime Reports</u></b>			
Violent Crimes Task Force	16.000	13,102	13,102
<b><u>Crime Victim Assistance</u></b>			
Victims of Crime	16.575	56,273	56,273
<b>TOTAL U.S. DEPARTMENT OF JUSTICE</b>			<b>6,869,050</b>
<b><u>U.S. DEPARTMENT OF LABOR (DOL)</u></b>			
<b><u>PASS-THROUGH SENIOR SERVICES AMERICA, INC. (SSA)</u></b>			
<b><u>Senior Community Service Employment Program</u></b>			
Senior Community Service Employment	17.235	515,158	515,158
<b>TOTAL U.S. DEPARTMENT OF LABOR</b>			<b>515,158</b>
<b><u>U.S. DEPARTMENT OF TRANSPORTATION (DOT)</u></b>			
<b><u>PASS-THROUGH MARYLAND DEPARTMENT OF</u></b>			
<b><u>TRANSPORTATION (MDOT)</u></b>			
<b><u>Federal Transit - Capital Investment Grants</u></b>			
Section 5309	20.500	847,369	
DPW Transit Vehicles	20.500	4,600,365	
ARRA - Roadway Resurfacing A	20.500	4,731	
ARRA - Roadway Resurfacing B	20.500	221,254	5,673,719

**PRINCE GEORGE'S COUNTY, MARYLAND**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Year Ended June 30, 2012**  
(Continued)

Federal Agency/Pass-through Entity Program Name	Federal Catalog Number	Federal Expenditure by Program	Total Federal Expenditure
<b><u>U.S. DEPARTMENT OF TRANSPORTATION (DOT)</u></b>			
<b><u>PASS-THROUGH MARYLAND DEPARTMENT OF</u></b>			
<b><u>TRANSPORTATION (MDOT) (cont.)</u></b>			
<b>Federal Transit Formula Grants</b>			
Ridesharing	20.507	\$ 200,786	\$ 200,786
<b>Highway Planning and Construction Cluster</b>			
Brandywine Road Bridge	20.205	678	
Brock Rd Bridge	20.205	2,176,523	
Ritchie Marlboro	20.205	37,619	
Brinkley Road Bridge	20.205	1,930,766	
Sunnyside Avenue Bridge	20.205	134,409	
Commo Road Bridge	20.205	9,042	
Livingston Road Bridge	20.205	9,623	
School Access Projects	20.205	459,408	
Trip Center	20.205	200	4,758,268
<b>Public Transportation Research</b>			
Vehicle Location System	20.514	42,886	42,886
<b><u>U.S. DEPARTMENT OF TRANSPORTATION (DOT)</u></b>			
<b><u>PASS-THROUGH STATE HIGHWAY ADMINISTRATION (SHA)</u></b>			
<b>State and Community Highway Safety</b>			
Traffic Safety	20.600	90,519	90,519
<b>TOTAL U.S. DEPARTMENT OF TRANSPORTATION</b>			<u>10,766,178</u>
<b><u>U.S. EQUAL EMPLOYMENT OPPORTUNITY COMMISSION (EEOC)</u></b>			
<b><u>Direct</u></b>			
<b>Employment Discrimination-State and Local Fair</b>			
<b>Employment Practices Agency Contact</b>			
U.S. Equal Opportunity Commission Worksharing	30.002	54,910	54,910
<b>TOTAL U.S. EQUAL EMPLOYMENT OPPORTUNITY</b>			<u>54,910</u>
<b>COMMISSION</b>			
<b><u>U.S. ENVIRONMENTAL PROTECTION AGENCY (EPA)</u></b>			
<b><u>Direct</u></b>			
<b>Congressionally Mandated Projects</b>			
Anacostia Phase V	66.202	83,635	83,635
<b><u>PASS-THROUGH MARYLAND DEPARTMENT</u></b>			
<b><u>OF ENVIRONMENT (MDE)</u></b>			
<b>Capitalization Grants for Clean Water State Revolving Funds</b>			
ARRA- Montpelier Mansion	66.458	5,300	
ARRA - Beaverdam Wetland Project	66.458	74,395	
ARRA - Wynnleigh Road	66.458	36,794	116,489
<b>TOTAL U.S. ENVIRONMENTAL PROTECTION AGENCY</b>			<u>200,124</u>
<b><u>CORPORATION FOR NATIONAL AND COMMUNITY SERVICE (CNCS)</u></b>			
<b>Foster Grandparent Program</b>			
Foster Grandparents	94.011	258,487	258,487
<b>Retired and Senior Volunteer Program</b>			
Community RSVP-Volunteer Expenses	94.002	33,987	
Community RSVP	94.002	40,058	74,045
<b>TOTAL CORPORATION FOR NATIONAL AND</b>			<u>332,532</u>
<b>COMMUNITY SERVICE</b>			

**PRINCE GEORGE'S COUNTY, MARYLAND**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Year Ended June 30, 2012**  
(Continued)

Federal Agency/Pass-through Entity Program Name	Federal Catalog Number	Federal Expenditure by Program	Total Federal Expenditure
<b><u>PASS-THROUGH MARYLAND EMERGENCY</u></b>			
<b><u>MANAGEMENT AGENCY (MEMA):</u></b>			
<b>Food and Shelter National Board Program</b>			
Emergency Management	97.000	\$ 129,081	\$ 129,081
<b>TOTAL FEDERAL EMERGENCY MANAGEMENT AGENCY</b>			<u>129,081</u>
<b><u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (HHS)</u></b>			
<b><u>Direct</u></b>			
<b>Communities Putting Prevention to Work</b>			
ARRA - Chronic Disease Self Management	93.725	18,042	18,042
<b><u>PASS-THROUGH MARYLAND DEPARTMENT</u></b>			
<b><u>OF HEALTH AND MENTAL HYGIENE (DHMH)</u></b>			
<b>Substance Abuse and Mental Health Services-</b>			
<b>Projects of Regional and National Significance</b>			
Youth Suicide Prevention	93.243	63,278	63,278
<b>ARRA - Immunization</b>			
ARRA - School-age Influenza Immunization	93.712	18,668	18,668
<b>Centers for Disease Control and Prevention-</b>			
<b>Investigations and Technical Assistance</b>			
Breast and Cervical Cancer Program	93.283	239,665	239,665
<b>Public Health Emergency Preparedness</b>			
Public Health Preparedness	93.069	66,012	
Public Health Preparedness	93.069	487,734	
NM City Readiness Initiative	93.069	177,491	731,237
<b>Project Grants and Cooperative Agreements</b>			
<b>for Tuberculosis Control Programs</b>			
Epidemiology TB CHN Grant	93.116	207,747	207,747
<b>Project for Assistance in Transition</b>			
<b>from Homelessness-PATH</b>			
Path Project	93.150	93,871	93,871
<b>Coordinated Services and Access to</b>			
<b>Research for Women, Infants, Children and Youth</b>			
<b>National Health Service Corps Scholarship Program</b>			
Aids Case Management	93.400	152,183	152,183
<b>HIV Care Formula Grants</b>			
AIDS Ryan White Title II	93.917	1,814,256	1,814,256
<b>HIV Prevention Activities_Health Department Based</b>			
AIDS HIV Counsel Test	93.940	564,416	
Community Level Prevention	93.940	(941)	
HIV Partner	93.940	136,169	699,644
<b>Epidemiologic Research Studies of AIDS</b>			
Expand HIV Testing	93.943	409,366	409,366
<b>Immunization Grants</b>			
Epidemiology Hepatitis B Immunization	93.268	70,691	
Immunization Action Program	93.268	255,964	326,655
<b>Refugee and Entrant Assistance Discretionary Grants</b>			
Epidemiology Migrant Refugee Health	93.576	382,132	382,132
<b>Social Services Research and Demonstration</b>			
Transition Aged Youth	93.647	97,399	97,399
<b>Children's Health Insurance Program</b>			
PWC Eligibility	93.767	993,833	993,833

**PRINCE GEORGE'S COUNTY, MARYLAND**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Year Ended June 30, 2012**  
(Continued)

Federal Agency/Pass-through Entity Program Name	Federal Catalog Number	Federal Expenditure by Program	Total Federal Expenditure
<b><u>PASS-THROUGH MARYLAND DEPARTMENT</u></b>			
<b><u>OF HEALTH AND MENTAL HYGIENE (DHMH)(Cont.)</u></b>			
<b>Children's Health Insurance Program</b>			
<b>Medical Assistance Program</b>			
Medical Assistance Transportation	93.778	\$ 2,467,228	
Administrative Care Coordination	93.778	571,664	
MA Waiver Administration	93.778	160,964	\$ 3,199,856
<b>Family Planning Services</b>			
Maternal Child Planning	93.217	147,775	
HIV Prevention	93.217	192,224	339,999
<b>Preventive Health and Health Services Block Grant</b>			
State and Community Based Injury Control	93.991	3,075	3,075
<b>Maternal and Child Health Services Block Grant to the States</b>			
Lead Paint Poisoning Outreach Nurse	93.994	70,094	
High Risk Infant	93.994	102,612	172,706
<b>Block Grants for Community Mental Health Services</b>			
Block Grants for Community Mental Health	93.958	1,299,148	1,299,148
<b>Block Grants for Prevention and Treatment of Substance Abuse</b>			
Federal Fund Treatment	93.959	1,418,436	
Region II Prevention	93.959	501,133	1,919,569
<b>Preventive Health Services -Sexually Transmitted Diseases</b>			
Epidemiology STD Caseworker Grant	93.977	322,748	322,748
<b><u>PASS-THROUGH MARYLAND DEPARTMENT OF AGING (MDOA)</u></b>			
<b>Special Programs for the Aging-Title III, Part D-Disease Prevention and Health Promotion Services</b>			
Title III D	93.043	39,882	39,882
<b>Aging Cluster:</b>			
<b>Special Programs for the Aging-Title III, Part B-Grants for Supportive Services and Senior Centers</b>			
Title III B	93.044	940,343	940,343
<b>Special Programs for the Aging-Title III, Part C-Nutrition Services</b>			
Title III C2	93.045	414,045	
Title III C1	93.045	720,952	1,134,997
Subtotal Aging Cluster:			2,115,222
<b>Centers for Medicare and Medicaid Services- Research, Demonstrations and Evaluations</b>			
Sr Health Insurance-Admin	93.779	45,906	45,906
<b><u>PASS-THROUGH DISTRICT OF COLUMBIA</u></b>			
<b><u>DEPARTMENT OF HEALTH (DCH)</u></b>			
<b>HIV Emergency Relief Project Grants</b>			
Ryan White Minority II	93.914	156,916	
Part A Minority Aids Initiative	93.914	6,509	
Ryan White CARE	93.914	7,392,963	7,556,388

**PRINCE GEORGE'S COUNTY, MARYLAND**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Year Ended June 30, 2012**  
(Continued)

Federal Agency/Pass-through Entity Program Name	Federal Catalog Number	Federal Expenditure by Program	Total Federal Expenditure
<b><u>PASS-THROUGH MARYLAND DEPARTMENT</u></b>			
<b><u>OF HUMAN RESOURCES (MDHR) (cont.)</u></b>			
<b>Child Support Enforcement</b>			
Child Support-Sheriff	93.563	\$ 1,282,656	
Child Support Title IV-Domestic Relations	93.563	433,588	\$ 1,716,244
<b>Low-Income Home Energy Assistance</b>			
Low Income Home Energy Assistance Program	93.568	783,273	783,273
<b>Temporary Assistance for Needy Families</b>			
Healthy Families-Home Visitation	93.558	192,603	<u>192,603</u>
<b>TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			<u>25,914,713</u>
<b><u>PASS-THROUGH UNIVERSITY OF MARYLAND</u></b>			
<b>University of MD: Office of National Drug Control Policy</b>			
HIDTA	95.001	174,756	<u>174,756</u>
<b>TOTAL UNIVERSITY OF MARYLAND</b>			<u>174,756</u>
<b><u>PASS-THROUGH MARYLAND</u></b>			
<b><u>STATE DEPARTMENT OF EDUCATION (MSDE)</u></b>			
<b>Special Education-Grants for Infants and Families cluster:</b>			
Infant and Toddlers-Part C	84.181	159	
Infant and Toddlers-Part C	84.181	607,235	
ARRA - Infants and Toddlers IDEA Part C	84.393	252,867	
ARRA - Infants and Toddlers Extended IFSP	84.393	845,912	1,706,173
<b>Special Education cluster:</b>			
Infants and Toddlers - Part B	84.027	166,224	
Part B 619	84.173	9,000	<u>175,224</u>
<b>TOTAL DEPARTMENT OF EDUCATION</b>			<u>1,881,397</u>
<b><u>U.S. DEPARTMENT OF HOMELAND SECURITY (DHS)</u></b>			
<b><u>Direct</u></b>			
<b>Assistance to Firefighters</b>			
USDHS AFG	97.044	1,267,028	1,267,028
Staffing Adequate Fire/Emergency Response	97.083	1,973,402	1,973,402
<b><u>PASS-THROUGH MARYLAND EMERGENCY</u></b>			
<b><u>MANAGEMENT AGENCY (MEMA)</u></b>			
Emergency Management Performance Grant	97.042	126,319	126,319
Hazard Mitigation Grant	97.039	101,551	101,551
Port Security Grant Program	97.056	41,216	41,216
State Homeland Security Program	97.067	1,742,467	1,742,467
<b>Citizens-Community Resilience Innovation Challenge</b>			
Citizen Corp	97.053	126,975	126,975
Buffer Zone Protection Program	97.078	181,447	181,447
<b><u>PASS-THROUGH DISTRICT OF COLUMBIA HOMELAND SECURITY</u></b>			
<b><u>AND EMERGENCY MANAGEMENT AGENCY</u></b>			
<b>Homeland Security Grant Program</b>			
UASI NCR Regional Planning	97.067	25,268	
EOC/ECC Connection Main	97.067	520,142	
7UASI NIMS COMP	97.067	12,100	
Exercise and Training Officer	97.067	89,851	
UASI/INT ECC'S and EOC'S	97.008	762,224	1,409,585

**PRINCE GEORGE'S COUNTY, MARYLAND**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Year Ended June 30, 2012**  
(Continued)

Federal Agency/Pass-through Entity Program Name	Federal Catalog Number	Federal Expenditure by Program	Total Federal Expenditure
<b><u>PASS-THROUGH EMERGENCY FOOD AND SHELTER PROGRAM</u></b>			
Emergency Food and Shelter National Board Program			
Emergency Food and Shelter	97.024	\$ 148,390	<u>\$ 148,390</u>
<b>TOTAL DEPARTMENT OF HOMELAND SECURITY</b>			<u>7,118,380</u>
<b><u>U.S. DEPARTMENT OF COMMERCE (DOC)</u></b>			
<b><u>PASS-THROUGH DISTRICT OF COLUMBIA HOMELAND SECURITY AND EMERGENCY MANAGEMENT AGENCY</u></b>			
Public Safety Interoperable Communications Grant Program			
FY 07 PSIC NCRNET	11.555	865,340	
<b><u>PASS-THROUGH MARYLAND EMERGENCY MANAGEMENT AGENCY (MEMA)</u></b>			
PSIC Advisor	11.555	56,149	<u>921,489</u>
<b>TOTAL DEPARTMENT OF COMMERCE</b>			<u>921,489</u>
<b><u>U.S. DEPARTMENT OF ENERGY (DOE)</u></b>			
<b><u>Direct</u></b>			
Energy Efficiency and Conservation Block Grant Program (EECBG)			
ARRA - EECBG	81.128	1,560,359	
<b><u>PASS-THROUGH MARYLAND ENERGY ADMINISTRATION</u></b>			
State Energy Program			
ARRA - Project Sunburst	81.041	384,930	<u>1,945,289</u>
<b>TOTAL DEPARTMENT OF ENERGY</b>			<u>1,945,289</u>
<b>TOTAL FEDERAL GRANT EXPENDITURES</b>			<u><u>\$ 94,875,796</u></u>

**PRINCE GEORGE'S COUNTY, MARYLAND**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**June 30, 2012**

**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 1(a) 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, 2012. 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 – NONCASH FEDERAL AWARDS**

(a) 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 \$12,768,492 for fiscal year 2012. These amounts are included in the Schedule of Expenditures of Federal Awards.

(b) Food Commodities – USDA: During fiscal year 2012, the County received \$269,906 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, 2012**

**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:

<b>CFDA#</b>	<b>Grant Program</b>	<b>Amounts Provided to Subrecipients</b>
14.218	HUD - Community Development Block Grant Program	\$ 3,330,770
14.231	HUD - Emergency Shelter Grant Program	241,176
14.239	HUD - HOME Investment Partnerships Program	2,046,552
14.253	HUD - Community Development Block Grant-R ARRA	305,457
14.256	HUD - Neighborhood Stabilization	71,755
14.257	HUD - Housing Preservation Recovery Program ARRA	640,783
81.128	DOE - Energy Efficiency and Conservation Block Grant	1,560,359
84.027	DOE - Special Education Grants to States Part B	166,224
84.173	DOE - Special Education Grants to States Part B 619	9,000
84.181	DOE - Special Education: Grants for Infants and Families with Disabilities	190,047
84.393	DOE- ARRA I&T IDEA	1,081,017
93.044	HHS - Title III, Part B - Grants for Supportive Services and Senior Centers	94,191
93.150	HHS- Projects for Assistance in Transition from Homelessness (PATH)	62,872
93.914	HHS - HIV Emergency Relief Project Grants	6,177,874
93.958	HHS - Block Grants for Community Mental Health Services	1,278,198
93.959	HHS- Substance Abuse Prevention and Treatment Block Grant	1,332,146
	<b>Total</b>	<b>\$ 18,588,421</b>

This information is an integral part of the accompanying schedule.

**PRINCE GEORGE'S COUNTY, MARYLAND**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**June 30, 2012**

**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	<u>  X  </u>	No
Significant deficiency(ies) identified that are not considered to be material weakness.	<u>  X  </u>	Yes	_____	None reported
Noncompliance material to financial statements noted?	_____	Yes	<u>  X  </u>	No

**Federal Awards**

Internal control over major programs:

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

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

**Identification of Major Programs:**

<u>Name of Federal Program or Cluster</u>	<u>CFDA Number(s)</u>	
HUD - Community Development Block Grants	14.218, 14.253	Qualified
DOE- Energy Efficiency and Conservation Block Grant	81.128	Unqualified
USDA - Special Supplemental Food Program for Women, Infants and Children	10.557	Unqualified
HUD - Home Investment Partnerships Program	14.239	Unqualified
DOJ - Public Safety Partnerships and Community Policing Grants	16.710	Unqualified
DOJ - Edward Byrne Memorial Justice Assistance Grants	16.738	Unqualified
DOJ - Edward Byrne Memorial Justice Assistance Grants- ARRA	16.803, 16.804	Unqualified
HHS - Medical Assistance Program	93.778	Unqualified
HHS - Block Grants for Prevention and Treatment of Substance Abuse	93.959	Unqualified
DHS - Homeland Security Grant Program	97.067	Unqualified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133?	<u>  X  </u>	Yes	_____	No
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Dollar threshold used to distinguish between type A and type B programs: \$2,846,274

Auditee qualified as low-risk auditee?	_____	Yes	<u>  X  </u>	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, 2012**

**II. Federal Award Findings and Questioned Costs**

Significant Deficiencies in Internal Control Over Financial Reporting

**Finding 2012-1: Corvel Claims Reconciliation**

**Condition**

There is no reconciliation performed by management between the Corvel Claims Summary and the detail claim reports to ensure that the paid claims are supported by the underlying detail claim reports.

**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 claims reconciliation 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 and review of the reconciliations to ensure that claims are properly reconciled to ensure that the County has underlying supporting claims information for all claims that are paid by Corvel.

**Management's Response:**

Due to staff shortages, the risk management section will continue to spot check payment reports to confirm payments are supported. Payments are randomly selected and verified primarily by using the Corvel CareMC system or by requesting supporting documentation from the Corvel adjuster. The detailed payment on the report is checked and initialed when the supporting documentation has been confirmed. The reports are kept for up to a year before being discarded.

**PRINCE GEORGE'S COUNTY, MARYLAND**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**June 30, 2012**

**Finding 2012-2: Logical Access – Recertification**

**Condition**

The recertification process for user access was not completed for 14 of 31 departments during FY12.

**Criteria**

COSO/Internal Control Framework requires adequate internal controls over logical access to ensure proper system access.

**Cause**

This is a result of the limited resources of the County.

**Effect**

Failure to perform this process on a periodic basis may result in unauthorized users having access to the system.

**Recommendation**

A formal and documented periodic 'Account Recertification' process should be implemented to ensure all terminated accounts have been de-provisioned and all active accounts are appropriately provisioned based on the owner's job functions.

**Management's Response:**

Office of Information Technology (OIT) will implement a formal and documented periodic 'Account Recertification' process to ensure all terminated accounts have been de-provisioned and all active accounts are appropriately provisioned based on the owner's job functions.

**Finding 2012-3: Logical Access – Domain Administrator Access**

**Condition**

There were 2 users with Domain Admin access that were deemed inappropriate.

**Criteria**

COSO/Internal Control Framework requires adequate internal controls over logical access to ensure proper system access.

**Cause**

This is a result of the limited resources of the County.

**Effect**

Failure to perform this process on a periodic basis may result in unauthorized users having access to the system.

**Recommendation:**

We recommend that management review all users with Domain Admin access on a periodic basis and remove all users not deemed to require that level of access.

**Management's Response:**

All Domain Administrative requests need approval from Security Manager. A monthly report will go to managers to assess needs. Also Alerting has been setup on any changes to the Domain Admin group.

This information is an integral part of the accompanying schedule.

**PRINCE GEORGE'S COUNTY, MARYLAND**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**June 30, 2012**

**Finding 2012-4: Logical Access – Password Inactivity**

**Condition**

Infor password inactivity days allowed was not set to policy requirements. The configuration was set to 4 times the policy limit.

**Criteria**

COSO/Internal Control Framework requires adequate internal controls over logical access to ensure proper system access.

**Cause**

This is a result of the limited resources of the County.

**Effect**

Failure to periodically change passwords heightens the likelihood that a password may become compromised and as such provide access to the system by an unauthorized user.

**Recommendation**

We recommend that management review current configuration settings to be in compliance with established policies.

**Management's Response:**

OIT will work to change the Inactivity period to 90 days.

**Finding 2012-5: Logical Access – Account “Recreation”**

**Condition**

Three of the 25 accounts sampled, were “recreated” due to the accounts being accidentally deleted. However, they were recreated by the administrative staff without going through Customer Service. Additionally, there was no documentation of this recreation retained.

**Criteria**

COSO/Internal Control Framework requires adequate internal controls over logical access to ensure proper system access.

**Cause**

This is a result of the limited resources of the County.

**Effect**

Failure to follow established procedures in the recreation of accounts increases the likelihood that access to the system may become compromised.

**Recommendation**

We recommend that management review current policies and procedures for account recreations to ensure that recreations are restricted only to authorized personnel with no conflicting duties.

**Management's Response:**

OIT will add a procedure to ensure proper segregation of duties and all incidents will be entered thru the Service Desk.

This information is an integral part of the accompanying schedule.

**PRINCE GEORGE'S COUNTY, MARYLAND**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**June 30, 2012**

**Finding 2012-6: Logical Access – Account Documentation**

**Condition**

Documentation requesting new hire access could not be located for 5 of the 25 employees sampled.

**Criteria**

COSO/Internal Control Framework requires adequate internal controls over logical access to ensure proper system access.

**Cause**

This is a result of the limited resources of the County.

**Effect**

Documentation of approval of access to the system is essential in determining the level of access a user is granted and who has granted that approval. Failure to maintain the appropriate documentation may result in improper access being granted.

**Recommendation**

We recommend that management review current procedures and make necessary changes to ensure that all new account and access change requests be maintained.

**Management's Response:**

All new hire access comes thru the Service Desk. Notifications will be sent to Operations.

**Finding 2012-7: Mainframe – Security Administrators**

**Condition**

There are currently 22 security administrators for Top-Secret, which appears to be excessive based on the size of the organization and the user base of Cyborg and Information.

**Criteria**

COSO/Internal Control Framework requires adequate internal controls over mainframe processes to ensure proper system access.

**Cause**

This is a result of the limited resources of the County.

**Effect**

The risk of a compromised administrator account being used to breach financial systems and underlying resources is increased by the number of active administrator accounts.

**Recommendation**

Administrator accounts should be reviewed for appropriateness and limited to the least possible number of staff to ensure the risk of compromised accounts is reduced.

**Management's Response:**

Administrative rights have been given to the Service Desk for password resets and list commands. The authorization applied is MISC8 (PWMAINT) only allows the removal of a suspended account. OIT will institute a policy of "least" privilege.

This information is an integral part of the accompanying schedule.

**PRINCE GEORGE'S COUNTY, MARYLAND**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**June 30, 2012**

**Finding 2012-8: Mainframe – Top-Secret Password Lockout**

**Condition**

Top-Secret configurations for password lockout which is established through MSUSPEND was not set to limit unsuccessful login attempts. The configuration was set for MSUSPEND(NO) - which allows unlimited password guessing of the MCSA's password.

**Criteria**

COSO/Internal Control Framework requires adequate internal controls over mainframe processes to ensure proper system access.

**Cause**

This is a result of the limited resources of the County.

**Effect**

Inadequate password controls could result in unauthorized access to critical systems, including malicious or accidental data manipulation or breach of data confidentiality.

**Recommendation**

The password lockout configuration should be reviewed and changes made to limit the number of attempts which can be made.

**Management's Response:**

MSUSPEND (NO) is the default parameter for Top-Secret. OIT will change this to MSUSPEND (YES). Access Control Policy states all systems must limit the number of failed login attempts.

**Finding 2012-9: Change Management – Documentation Retention**

**Condition**

Documentation of changes made to the Cyborg application could not be located.

**Criteria**

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

**Cause**

This is a result of the limited resources of the County.

**Effect**

Failure to appropriately document changes to the system may allow for a control environment in which changes could be made to the system without proper review, testing and approval.

**Recommendation**

Management should review current procedures to ensure that documentation of system changes be maintained. The documentation should include reason for the change, testing as necessary and approval.

**Management's Response:**

OIT will document new Change Management Policies and Procedures.

**PRINCE GEORGE'S COUNTY, MARYLAND**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**June 30, 2012**

**Finding 2012-10: Change Management – Documentation Retention**

**Condition**

There is no documentation of the testing or approval of changes made to the Information system.

**Criteria**

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

**Cause**

This is a result of the limited resources of the County.

**Effect**

Failure to appropriately document changes to the system may allow for a control environment in which changes could be made to the system without proper review, testing and approval.

**Recommendation**

Management should review current procedures to ensure that documentation of system changes be maintained. The documentation should include reason for the change, testing as necessary and approval.

**Management's Response:**

OIT will document through new Change Management Policies and Procedures.

**Finding 2012-11: Logical Access – Terminated Users**

**Condition**

Documentation of access removal could not be located for all 23 of the terminated users tested. Additionally, 3 of the terminated users sampled were still listed as active in Infor and 1 in Cyborg.

**Criteria**

COSO/Internal Control Framework requires adequate internal controls over logical access to ensure proper system access.

**Cause**

This is a result of the limited resources of the County.

**Effect**

Failure to properly remove and document removal of terminated employees increases the likelihood of unauthorized access to the system.

**Recommendation**

Management should review procedures to ensure that all terminated users are removed from the system in a timely manner. The procedures should include a review of all systems to which the user had access to ensure total removal from the system. Additionally, documentation should be maintained detailing the requestor, reason for removal and date removed.



**PRINCE GEORGE'S COUNTY, MARYLAND**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**June 30, 2012**

**Management's Response:**

Infor termination requests are received throughout the year from the agency fiscal coordinators and an annual review is performed at fiscal year-end. This comment would seem to indicate that Mainframe access is being terminated but Cyborg and Infor security administrators are not notified by the agency. OIT will forward the information to the appropriate security administrator when a Mainframe user is terminated that has Cyborg/Infor access. Terminating access: the IT coordinators to contact Application Security when there is a separation or transfer which requires access to be changed or deleted.

**III. Federal Award Findings and Questioned Costs**

**Finding Reference: 2012-12**

**Federal Agency:** U.S. Department of Housing and Urban Development  
**Compliance Requirement:** Sub-Recipient Monitoring  
**Type of Finding:** Qualified-Material Weakness in Internal Control, Material Noncompliance, Repeat Finding, 2011-05, 2010-05, 2009-7  
**Federal Program:** 14.218, 14.253-Community Development Block Grants (CDBG, CDBG-R)

**Condition/Context**

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 reports for 5 out of 5 CDBG, CDBG-R sub-recipients tested.
2. 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 5 out of 5 CDBG, CDBG-R sub-recipients selected for testing.

**Criteria**

OMB Circular A-133 requires:

1. 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 is 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."
4. The pass-through entity, at the time of the subaward, is responsible for "identifying to the sub-recipient the Federal award information (i.e., CFDA title and number, award name and number), and applicable compliance requirements."

**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.

This information is an integral part of the accompanying schedule.

**PRINCE GEORGE'S COUNTY, MARYLAND**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**June 30, 2012**

**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 possible mis-information included in the County's reports to the grantor agency.

**Questioned Costs**

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

**Recommendation**

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

**Management's Response:**

The Department of Housing and Community Development is revising its policies and procedures to ensure compliance with sub-recipient monitoring requirements.

**Finding Reference: 2012-13**

<b>Federal Agency:</b>	<b>U.S. Department of Energy</b>
<b>Compliance Requirement:</b>	<b>Procurement, Suspension and Debarment</b>
<b>Type of Finding:</b>	<b>Significant Deficiency in Internal Control, Repeat Finding, 2011-06</b>
<b>Federal Program:</b>	<b>81.128-Energy Efficiency and Conservation Block Grant (EECBG)</b>

**Condition/Context**

We noted that 1 out of 4 EECBG procurement contracts selected for testing failed to document the vendor's suspension or debarment status.

**Criteria**

The A-102 Common Rule requires 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 requires procurement actions to be appropriately documented in the procurement files. 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.

**Cause**

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

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**Effect**

The County may fail to document a vendor's suspension and debarment status as required by A-102 Common Rule. Inconsistent application of the County's procurement procedures may result in the County doing business with a suspended and/or debarred 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.

**Management's Response:**

The contractors involved were approved by DOE and/or a third party contractor. The assumption was that suspension and debarment were checked upon approval. OCS obtained documentation from the third party during the audit to substantiate this. We feel this is sufficient however, we will check suspension and debarment at the time of procurement in the future.

**Finding Reference: 2012-14**

<b>Federal Agency:</b>	<b>U.S. Department of Housing and Urban Development</b>
<b>Compliance Requirement:</b>	<b>Special Tests and Provisions (Environmental Reviews)</b>
<b>Type of Finding:</b>	<b>Qualified-Material Weakness in Internal Control, Material Noncompliance,</b>
<b>Federal Program:</b>	<b>14.218, 14.253-Community Development Block Grant (CDBG, CDBG-R)</b>

**Condition/Context**

The County failed to properly document that environmental reviews for 14 out of 40 rehabilitation projects selected for testing were performed prior to commencing the projects.

**Criteria**

OMB Circular A-133 states that projects must have an environmental review unless they meet criteria specified in the regulations that would exempt or exclude them from environmental certification requirements (24 CFR sections 58.1, 58.22, 58.34, 58.35, 570.604).

**Cause**

The County did not have appropriate controls in place to ensure that all environmental reviews were performed before projects were approved for commencement.

**Effect**

As a result of the finding, the County may have approved projects that could potentially include rehabilitation detrimental to the environment and/or not in compliance with HUD regulations.

**Questioned Costs**

There are no questioned costs associated with this finding; costs related to the projects were properly documented and in line with activities allowed under the grant agreement.

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**Recommendation**

We recommend that the County implement procedures to ensure that all applicable projects have an environmental review performed before a CDBG-funded project commences.

**Management's Response:**

The projects selected for testing represented older projects. Currently the Department of Housing and Community Development has controls in place to ensure completion of environmental reviews before procurement of services.

**Finding Reference: 2012-15**

**Federal Agency:** U.S. Department of Housing and Urban Development  
U.S. Department of Health and Human Services

**Compliance Requirement:** Reporting

**Type of Finding:** Significant Deficiency in Internal Control,

**Federal Program:** 14.218, 14.253-Community Development Block Grant

(CDBG, CDBG-R)

93.959-Substance Abuse Prevention and Treatment Block Grant (SAPT)

**Condition/Context**

We noted that for 5 out of 5 sub-recipients selected for testing from CDBG, CDBG-R and for 3 out of 3 sub-recipients selected for testing from SAPT (all who were subject to the Federal Funding Accountability and Transparency Act (FFATA) reporting requirements), the County did not ensure that the sub-recipients registered the awards in Funding Accountability and Transparency Subaward Reporting System (FSRS).

**Criteria**

Under 2 CFR 170, prime recipients who make first-tier subawards of grant periods that began on or after October 1, 2010, and that result in an obligation of \$25,000 or more in federal funds, must ensure that the subgrantee register the contract by the end of the month following the award in FSRS.

**Cause**

The County did not have appropriate controls in place to ensure that all applicable subawards were properly reported in the FSRS.

**Effect**

The County did not properly disclose the awards indicated in the FSRS and, thus, did not comply with the reporting transparency requirements related to FFATA.

**Questioned Costs**

No questioned costs associated with the reporting requirement.

**Recommendation**

We recommend that the County implement procedures to ensure that all applicable subawards are properly reported in the FSRS.

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**Management's Response:**

The Health Department will include the FSRS registration requirement in each sub-recipient contract. Sub-recipients will be monitored for registration requirement compliance within the first three months of contract award. The Department of Housing and Community Development is revising its policies and procedures to ensure compliance with FSRS registration.

**Finding Reference: 2012-16**

**Federal Agency:** U.S. Department of Justice  
U.S. Department of Homeland Security

**Compliance Requirement:** Activities Allowed/Allowable Costs

**Type of Finding:** Significant Deficiency in Internal Control,  
Repeat Finding, 2011-08

**Federal Program:** 16.710-Public Safety Partnership and Community Policing  
Grants  
16.738, 16.803, 16.804-Byrne Justice Assistance Grants  
97.067-Homeland Security Grant Program

**Condition/Context**

The County failed to properly document supervisory review/approval of personnel costs charged to the grants indicated for 1 out of 60 selected for the Public Safety Grant, for 4 out of 60 transactions selected for testing of the Byrne JAG program, and 1 out of 40 transactions selected for testing from the Homeland Security grant.

**Criteria**

OMB Circular A-87 Attachment B (h)(1) states that "charges to federal awards for salaries and wages, whether treated as direct or indirect costs, will be based on payrolls documented in accordance with generally accepted practice of the governmental unit and approved by a responsible official of the governmental unit."

**Cause**

The County did not consistently follow its established procedures related to the reporting, approval, and processing of payroll/personnel costs charged to its federal grants.

**Effect**

As a result of the finding, payroll/personnel costs were not adequately verified prior to being processed and charged to the grant. This could result in time and effort being inappropriately charged or allocated to a particular Federal program.

**Questioned Costs**

There are no questioned costs associated with this finding. We did not identify unallowable or inappropriate use of Federal funds related to the personnel costs noted above.

**Recommendation**

We recommend that the County consistently follow established policies and procedures related to the review and processing of payroll to avoid time and effort being improperly recorded and/or allocated.

**Management's Response:**

All departments involved (Police, Sheriff and Homeland Security) have made changes and will continue to make additional changes to ensure compliance with County timesheet policies and procedures.

This information is an integral part of the accompanying schedule.

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**SCHEDULE OF PRIOR YEAR FINDINGS**  
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**Finding Reference: 2011-05**

**Federal Agency:** U.S. Department Health and Human Services  
U.S. Department of Housing and Urban Development  
U.S. Department of Energy

**Federal Program:** 14.218, 14.253-Community Development Block Grant (CDBG, CDBG-R) (prior year finding 2010-05, 2009-07)  
93.959-Substance Abuse Prevention and Treatment Block Grant (SAPT)  
81.128-Energy Efficiency and Conservation Block Grant (EECBG)

**Condition/ Context**

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 13 out of 16-CDBG, CDBG-R sub-recipients tested, for 3 out of 3 EECBG sub-recipients tested, and for 3 out of 3 SAPT sub-recipients tested.
2. 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 14 out of 16 CDBG, CDBG-R sub-recipients selected for testing.
3. The County failed to adequately disclose pertinent Federal award information and requirements to 3 out of 3 SAPT sub-recipients selected for testing.

**Current Year Status**

**Corrected:**

93.959-Substance Abuse Prevention and Treatment Block Grant (SAPT)  
81.128- Energy Efficiency and Conservation Block Grant (EECBG).

During the current year audit testing, we selected this program as major and tested compliance over subrecipient monitoring, no exceptions were noted.

**Not corrected:**

14.218, 14.253-Community Development Block Grant (CDBG, CDBG-R). Repeated as finding 2012-12.

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**Finding Reference: 2011-06**

**Federal Agency:** U.S. Department Health and Human Services  
U.S. Department of Energy  
U.S. Department of Justice  
U.S. Department of Homeland Security

**Federal Program:** 93.778 - Medical Assistance (prior year 2010-07)  
93.959-Substance Abuse Prevention and Treatment Block Grant  
81.128-Energy Efficiency and Conservation Block Grant (EECBG)  
16.738, 16.803, 16.804-Byrne Justice Assistance Grants  
97.067- Homeland Security Grant Program

**Current Year Status**

**Corrected:**

93.778-Medical Assistance,  
93.959-Substance Abuse Prevention and Treatment Block Grant,  
16.738, 16.803, 16.804-Byrne Justice Assistance Grants,  
97.067-Homeland Security Grant Program.

During the current year audit we selected the programs as major and tested the County's compliance with the federal procurement requirement; no exceptions were noted.

**Partially Corrected:**

81.128-Energy Efficiency and Conservation Block Grant (EECBG).

The County contracted with a third party to assist the County with administering the Vendor contracts for the EECBG program. However, during testing the County failed to provide documentation to support a vendor's suspension and debarment status. Repeated as finding 2012-13.

**Finding Reference: 2011-07, 2009-06**

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

**Condition/Context**

We noted that 3 out of 4 interim financial reports (DHMH 438) selected for testing were submitted 3-5 days beyond the due date, and 2 out of 2 closing reports (DHMH 440) from the Substance Abuse Grant were submitted 18-27 days beyond the due date to the State Department of Health and Mental Hygiene.

**Current Year Status**

**Corrected:** During the current year audit we selected the program as major and tested the timeliness of the submission of required financial reports; no exceptions were noted.

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**Finding Reference: 2011-08**

**Federal Agency:** U.S. Department Health and Human Services  
U.S. Department of Justice

**Federal Program:** 93.778 – Medical Assistance  
16.710 – Public Safety Partnership and Community Policing  
Grants  
16.738, 16.803, 16.804 – Byrne Justice Assistance Grants

**Condition/Context**

The County failed to properly document supervisory review/approval of personnel costs charged to the grants indicated for 4 out of 40 transactions selected for testing of the Medical Assistance program, 2 out of 40 selected for the Public Safety Grant, and for 1 out of 40 transactions selected for testing of the Byrne JAG program.

**Current Year Status**

**Corrected:** During the current year audit testing, we selected the programs as major and reviewed the timeliness of the submission of required financial reports; no exceptions were noted.

**Finding Reference: 2011-09**

**Federal Agency:** U.S. Department of Justice  
**Type of Finding:** Significant Deficiency in Internal Control and Compliance

**Federal Program:** 16.738, 16.803, 16.804 – Byrne Justice Assistance Grants  
16.710 – Public Safety Partnership and Community Policing  
Grants

**Condition/Context**

We noted that 1 out of 14 quarterly project progress reports, and 1 out of 1 annual project progress reports selected for testing from the Byrne JAG grants were submitted 5 to 180 days beyond the due date to the State Governor's Office of Crime Control and Prevention (GOCCP). We also noted that 1 out of 4 SF-425 Quarterly Federal Financial Reports selected for testing from the Public Safety Partnership Grant was submitted 75 days beyond the due date to the Department of Justice.

**Corrected:** During the current year audit testing, we selected the programs as major and reviewed the timeliness of the submission of required financial reports; no exceptions were noted.



**PRINCE GEORGE'S COUNTY, MARYLAND**  
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**Finding Reference: 2011-10**

**Federal Agency:** U.S. Department of Justice  
**Federal Program:** 16.738, 16.803, 16.804-Byrne Justice Assistance Grants

***Condition/Context***

The County failed to maintain adequate records by not including these assets in its equipment and vehicle database for 2 out of 7 assets selected for testing.

**Current Year Status**

**Corrected:** During the current year audit we selected this program as major and tested the County's asset database to ensure that all pertinent information related to equipment acquisitions selected for testing were properly included; no exceptions were noted.

**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 28 days before the end of the contract term for 2 of the 3 sub-recipients grants reviewed. Also, modifications of certain grant agreements were performed 41 days after the contract expired.

**Current Year Status**

**Corrected:** During the current year, we performed follow-up testing over the sub-recipient award and grant modification process. We noted that the awards were approved in advance of the performance period; no exceptions were noted.