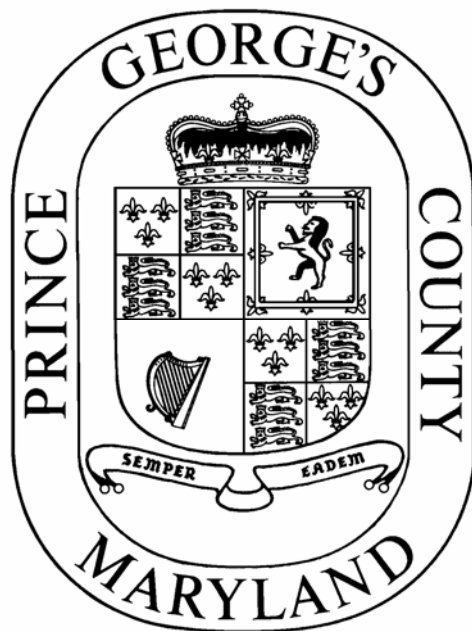


**PRINCE GEORGE'S COUNTY,  
MARYLAND**



**SINGLE AUDIT**

**For the Year Ended June 30, 2007**

Prince George's County, Maryland

Compliance Audit Pursuant to OMB Circular A-133  
(Single Audit)

For the Year Ended June 30, 2007

**PRINCE GEORGE’S COUNTY, MARYLAND**  
**AUDIT OF FEDERAL AWARD PROGRAMS**  
**YEAR ENDED JUNE 30, 2007**

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**THOMPSON, COBB, BAZILIO & ASSOCIATES, PC**  
*Certified Public Accountants and Management, Systems, and Financial Consultants*

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**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 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, 2007 (collectively referred to as the "basic financial statements"), and have issued our report thereon dated December 13, 2007. Our report was modified to include a reference to other auditors. We conducted our audit of the basic financial statements in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Other auditors audited the financial statements of the Board of Education of Prince George's County, Maryland; the Prince George's County Memorial Library System; Prince George's Community College; and Prince George's Community Television Inc., as described in our report on the County's basic 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, 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 basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the County's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the County's financial statements that is more than inconsequential will not be prevented or detected by the County's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the County's internal control.

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

## Compliance and Other Matters

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

We also noted certain matters that we reported to management of the County in a separate letter dated December 13, 2007.

This report is intended solely for the information and use of management, the County Council, others within the County, 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.

Washington, D.C.  
December 13, 2007

Thompson, Cobb, Bazilio & Associates, PC

**THOMPSON, COBB, BAZILIO & ASSOCIATES, PC**  
*Certified Public Accountants and Management, Systems, and Financial Consultants*

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**REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL  
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

The Honorable County Council  
Prince George's County, Maryland

**Compliance**

We have audited the compliance of Prince George's County, Maryland with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2007. 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.

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 the identified major programs. The following are compliance requirements, by program, that the County did not comply with:

<u>Finding No.</u>	<u>Program</u>	<u>Compliance Requirement</u>
2007-2	Medical Assistance Program	Eligibility
2007-7	Homeland Security Grant Program	Equipment and Real Property and Management

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 are applicable to each of its major federal programs for the year ended June 30, 2007.

## **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, 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 would not necessarily identify all deficiencies in the County's internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A control deficiency in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the County's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the County's internal control. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2007-1 and 2007-3 through 2007-7, to be significant deficiencies.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the County's internal control. Of the significant deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs, we considered none to be a material weakness.

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 the County as of and for the year ended June 30, 2007, and have issued our report thereon dated December 13, 2007. Our report was modified to include a reference to other auditors. 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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 response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, the County Council, others within the County, 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.

Washington D.C.  
February 29, 2008

*Thompson, Cobb, Brazilio & Associates, PC*

**PRINCE GEORGE'S COUNTY, MARYLAND**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED JUNE 30, 2007**

<u>Federal Department/Pass-through Entity/Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal Expenditures</u>
U.S. DEPARTMENT OF AGRICULTURE (USDA)		
Pass through payments:		
MD Department of Human Resources:		
Food and Nutrition Service - Food Donation	10.550	\$ 87,551
MD Department of Health and Mental Hygiene:		
Special Supplemental Food Program for Women, Infants, and Children	10.557	14,095,158
Child and Adult Care Food Program	10.558	41,693
MD State Department of Education:		
Summer Food Service Program for Children	10.559	618,870
Emergency Food Assistance	10.568	25,250
TOTAL U.S. DEPARTMENT OF AGRICULTURE		<u>\$ 14,868,522</u>
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD)		
Direct payments:		
Community Development Block Grant (CDBG)	14.218	\$ 7,519,061
Emergency Shelter Grant Program (ESG)	14.231	259,507
Supportive Housing Program	14.235	1,745,038
Shelter Plus Care	14.238	311,584
HOME Investment Partnerships Program	14.239	1,130,522
Economic Development Initiative	14.246	1,363,526
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT		<u>\$ 12,329,238</u>
FEDERAL BUREAU OF INVESTIGATION (FBI)		
Direct payments:		
Violent Crimes Task Force	16.xxx	\$ 12,078
TOTAL FEDERAL BUREAU OF INVESTIGATION		<u>\$ 12,078</u>
U.S. DEPARTMENT OF JUSTICE (DOJ)		
Office of Justice Programs		
Direct payments:		
Metro Area Task Force	16.560	\$ 47,708
Organized Crime Drug Enforcement Task Force	16.560	7,754
DNA Capacity Enhancement	16.560	1,776
Subtotal		<u>57,238</u>
Domestic Violence Intervention Technology	16.580	\$ 186,940
Prisoner Reentry	16.580	7,535
Regional Area Gang Enforcement	16.xxx	36,980
Asset Forfeiture	16.xxx	2,279,094
Subtotal		<u>2,510,549</u>

The accompanying notes are an integral part of this schedule.

**PRINCE GEORGE'S COUNTY, MARYLAND**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED JUNE 30, 2007**

<u>Federal Department/Pass-through Entity/Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal Expenditures</u>
U.S. DEPARTMENT OF JUSTICE (DOJ) (Continued)		
Domestic Violence-Response/Recovery	16.590	\$ 58,400
Domestic Violence-Response Team	16.590	601,047
MD Project Safe Neighborhood	16.609	88,036
Cops Technology Program	16.710	283,789
Bryne Memorial Justice Assistance	16.738	199,666
Project Safe Neighborhoods Anti-Gang	16.744	2,286
Subtotal		<u>1,233,224</u>
Total direct payments		<u>3,801,011</u>
Pass through payments:		
Arlington Police Department:		
High Intensity Drug Trafficking Area	16.579	\$ 206,506
MD Crime Control & Prevention:		
HOTSPOT-MDA: Communities Initiative	16.579	19,315
Juvenile Drug Court	16.579	141,546
Gang Prevention & Intervention	16.579	78,778
Community Prosecution Outreach	16.579	47,487
Domestic Violence Intake Advocacy Project	16.588	208,896
Domestic Violence Council Coordinator	16.588	28,924
Stop Violence Program	16.588	96,268
Adult Drug Court	16.588	49,685
Subtotal		<u>877,405</u>
Washington/Baltimore HIDTA:		
Southern MD Interdiction Initiative	16.579	\$ 4,274
MD Department of Human Resources:		
Victims of Crime	16.575	50,537
Total pass through payments		<u>932,216</u>
TOTAL U.S. DEPARTMENT OF JUSTICE		<u>\$ 4,733,227</u>
U.S. DEPARTMENT OF LABOR (DOL)		
Pass through payments:		
Senior Service America, Inc.		
Senior Community Service Employment Program	17.235	\$ 396,727
TOTAL U.S. DEPARTMENT OF LABOR		<u>\$ 396,727</u>
U.S. DEPARTMENT OF TRANSPORTATION (DOT)		
Pass through payments:		
MD Department of Transportation:		
Section 5309	20.500	\$ 479,234
Highway Planning and Construction - Bridge/Road Repair	20.205	840,162
Federal Transit: Formula Grants - Ride-Sharing	20.507	191,327
Formula Grants for Urbanized Areas	20.509	74,217
Alcohol/Drug Highway Safety	20.601	180,591
TOTAL U.S. DEPARTMENT OF TRANSPORTATION		<u>\$ 1,765,531</u>

The accompanying notes are an integral part of this schedule.

**PRINCE GEORGE'S COUNTY, MARYLAND**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED JUNE 30, 2007**

<u>Federal Department/Pass-through Entity/Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal Expenditures</u>
U.S. DEPARTMENT OF TREASURY		
Direct payments:		
AFT Task Force	21.052	\$ 9,912
Metro Alien Task Force	21.xxx	15,939
TOTAL U.S. DEPARTMENT OF TREASURY		<u>\$ 25,851</u>
U.S. EQUAL EMPLOYMENT OPPORTUNITY COMMISSION (EEOC)		
Direct payments:		
Employment Discrimination	30.002	\$ 150,102
TOTAL U.S. EQUAL EMPLOYMENT OPPORTUNITY COMMISSION		<u>\$ 150,102</u>
U.S. ENVIRONMENTAL PROTECTION AGENCY (EPA)		
Direct payments:		
Low Impact Technologies Development	66.606	\$ 1,077,101
Pass-through payments:		
MD Water Quality Administration	66.458	163,880
TOTAL U.S. ENVIRONMENTAL PROTECTION AGENCY		<u>\$ 1,240,981</u>
FEDERAL EMERGENCY MANAGEMENT AGENCY (FEMA)		
Pass through payments:		
MD Emergency Management Agency: Emergency Management	83.503	\$ 182,728
TOTAL FEDERAL EMERGENCY MANAGEMENT AGENCY		<u>\$ 182,728</u>
U.S. DEPARTMENT OF EDUCATION (ED)		
Pass through payments:		
MD Department of Education:		
Special Education: Grants to States Part B	84.027	\$ 82,094
Special Education: Grants to States Part B 619	84.173	9,000
Special Education: Grants for Infants and Families with Disabilities Part C	84.181	655,066
TOTAL U.S. DEPARTMENT OF EDUCATION		<u>\$ 746,160</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (DHHS)		
Pass through payments:		
MD Office on Aging:		
Special Programs for the Aging: Title III-B	93.044	\$ 821,019
Special Programs for the Aging: Title III-C1: Nutrition Services	93.045	579,788
Special Programs for the Aging: Title III-C2: Nutrition Services	93.045	328,170
Special Programs for the Aging: Title III- Part D: Disease Prevention	93.046	26,719
Health Care Financing Research, Demonstrations and Evaluations	93.779	79,763
Subtotal		<u>1,835,459</u>

The accompanying notes are an integral part of this schedule.

**PRINCE GEORGE'S COUNTY, MARYLAND**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED JUNE 30, 2007**

<u>Federal Department/Pass-through Entity/Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal Expenditures</u>
MD Department of Health and Mental Hygiene:		
Epidemiology TB Grant	93.116	\$ 261,436
Path Project	93.150	76,691
AIDS Pediatric	93.153	105,022
Family Planning Services	93.217	413,083
Immunization Grants	93.268	398,797
Centers for Disease Control and Prevention	93.283	913,783
Medical Assistance Program	93.778	3,272,319
Ryan White C.A.R.E. - Title II	93.917	977,421
HIV Prevention Activities: Health Department Based	93.940	787,210
Block Grants for Community Mental Health Services	93.958	1,392,656
Block Grants for Prevention and Treatment of Substance Abuse	93.959	2,052,690
Preventive Health Services: Sexually Transmitted Diseases Control Grant	93.977	285,810
Preventive Health and Health Services Block Grant	93.991	39,756
Maternal and Child Services Block Grant	93.994	302,639
MD Department of Human Resources:		
Child Support Enforcement	93.563	1,336,795
Low Income Home Energy Assistance	93.568	380,353
DC Department of Health:		
HIV Emergency Relief Project Grants	93.914	6,548,511
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES		\$ <u>21,380,431</u>
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE		
Direct payments:		
Retired and Seniors Volunteer Program	94.002	\$ 68,865
Foster Grandparents Program	94.011	266,681
TOTAL CORPORATION FOR NATIONAL AND COMMUNITY SERVICE		\$ <u>335,546</u>
U. S. DEPARTMENT OF HOMELAND SECURITY (DHS)		
Direct payments:		
Assistance Prevention	97.044	\$ 1,226,674
Total direct payments		<u>1,226,674</u>
Pass through payments:		
MD Emergency Management Agency:		
HMEP Training	20.703	2,922
State Domestic Preparedness Equipment Support Program	97.004	586,100
Homeland Security Grant Program	97.067	1,357,551
Citizen Corp	97.067	25,903
LETPP	97.067	430,898
Buffer Zone Protection	97.078	151,368
District of Columbia Office of the Deputy Mayor for Public Safety and Justice:		
SD Volunteer Grant	97.067	399,636
Homeland Security Grant Program - UASI Inter EOCS/ECCSI	97.067	1,917,341
Urban Area Security Initiatives - 800 MHZ	97.067	4,600,000
Urban Area Security Initiatives - National Capital Region Patient Tracking	97.008	529,044
National Incident Management System	97.008	62,500
District of Columbia Homeland Security Emergency Management Agency:		
Council of Governments Surge Capacity Grant	97.067	713,661
Emergency Food and Shelter Program Board:		
Emergency Food and Shelter	97.024	112,963
TOTAL U. S. DEPARTMENT OF HOMELAND SECURITY		\$ <u>12,116,561</u>
TOTAL ALL FEDERAL AWARDS		\$ <u>70,283,683</u>

The accompanying notes are an integral part of this schedule.

**PRINCE GEORGE'S COUNTY, MARYLAND**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2007**

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

The Schedule of Expenditures of Federal Awards presents the activity of all Federal award programs of Prince George's County, Maryland (the County), as defined in note 1a to the County's basic financial statements. The Schedule of Federal Awards also includes the activity of the Redevelopment Authority of Prince George's County. 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, 2007. Several programs are jointly funded by State of Maryland appropriations and Federal awards. The Schedule of Expenditures of Federal Awards reflects only that part of the grant activity funded by Federal awards.

**NOTE 3: LOAN PROGRAMS AND NONCASH FEDERAL AWARDS**

(a) Loan Programs - HUD

The County administers loans under the Home Investment Partnerships program and the Section 108 Commercial Building Loan Fund which have continuing compliance requirements and, therefore, are considered to be a Federal award at June 30, 2007. The outstanding balance on the Home and Section 108 loans at June 30, 2007 is \$3,829,461 and \$7,206,000 respectively. These amounts are excluded from the accompanying Schedule of Expenditures of Federal Awards.

(b) Food Vouchers - 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 of Maryland representatives confirmed that the value of WIC vouchers redeemed by Maryland residents living in Prince George's County totaled \$12,137,237 for fiscal year 2007. These amounts are included in the Schedule of Expenditures of Federal Awards.

**PRINCE GEORGE'S COUNTY, MARYLAND**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED JUNE 30, 2007**

**NOTE 3: LOAN PROGRAMS AND NONCASH FEDERAL AWARDS (Continued)**

(c) Food Commodities - USDA

During fiscal year 2007, the County received \$87,551 in surplus food from the Federal government. This amount has been included in the Schedule of Expenditures of Federal Awards.

**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:

<u>CFDA#</u>	<u>Grant Program</u>	<u>Amounts provided to Subrecipients</u>
14.218	HUD - Community Development Block Grant Program	\$ 6,235,061
14.231	HUD - Emergency Shelter Grant Program	257,377
14.239	HUD - HOME Investment Partnerships Program	803,706
84.173	DOE - Special Education Grants to States Part B 619	9,000
84.027	DOE - Special Education Grants for Infants and Families with Disabilities Part B	82,094
84.181	DOE - Special Education Grants for Infants and Families with Disabilities Part C	177,593
93.044	HHS - Title III, Part B - Grants for Supportive Services and Senior Centers	63,840
93.914	HHS - HIV Emergency Relief Project Grants	5,935,720
93.958	HHS - Block Grant for Community Mental Health Services	1,327,849
		<u>\$ 14,892,240</u>

**PRINCE GEORGE'S COUNTY, MARYLAND  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2007**

(1) Summary of Auditor's Results

**Financial Statements**

The type of auditor's report issued on the financial statements: Unqualified Opinion

*Internal Control Over Financial Reporting*

- Material weaknesses identified: No
- Significant deficiencies identified that are not considered to be material weaknesses: None reported

Noncompliance material to the financial statements noted: No

**Federal Awards**

The type of auditor's report issued on compliance for major programs: Qualified opinion

*Internal control over major programs*

- Material weaknesses identified: No
- Significant deficiencies identified that are not considered to be material weaknesses: Yes

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133: Yes

The major programs are as follows:

<u>Program</u>	<u>CFDA No.</u>
USDA - Special Supplemental Nutrition Program for Women, Infants and Children	10.557
HUD - Community Development Block Grant	14.218
DOJ - Asset Forfeiture	16.xxx
HHS - HIV Emergency Relief Grants	93.914
HHS - Medical Assistance Grant Program	93.778
DHS - Homeland Security Cluster	97.004/97.067

Dollar threshold used to distinguish between Type A and Type B programs: \$2,108,510

Auditee did not qualify as a low-risk auditee under Section 530 of OMB Circular A-133

(2) Financial Statement Findings

None

(3) Federal Award Findings and Questioned Cost

**PRINCE GEORGE'S COUNTY, MARYLAND  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2007**

<u>No.</u>	<u>Program</u>	<u>Findings/Noncompliance</u>	<u>Questioned Costs</u>
2007-1	Medical Assistance Transportation Grant	Eligibility	None

**Condition**

Medicaid eligibility does not appear to be verified through the State's Electronic Verification System (EVS). We found no evidence that there was a designated person to perform the review.

**Criteria**

The Maryland Medical Assistance Program Guide to the Transportation Grant program requires that in order to be eligible for transportation services, the individual receiving medical care must first be a recipient of full medical benefits, and eligibility must be verified through the EVS.

**Effect**

The program may be made available to non eligible recipients of transportation services.

**Cause**

We found no evidence that the County has designated personnel to perform reviews, verification and eligibility certification of program participants.

**Recommendation**

We recommend that the County designate a person to perform the control function as well as document performance of the control to preclude recurrence and ensure compliance with the grant program requirements.

**Views of Responsible Official**

Medicaid eligibility is verified through the EVS; however, verification was not adequately documented nor appropriately organized or accessible. A filing system has been set up that will enable the program to better document verification, and a staff person has been assigned to ensure that eligibility for each program participant is documented and that it is accessible.

**PRINCE GEORGE'S COUNTY, MARYLAND**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED JUNE 30, 2007**

<u>No.</u>	<u>Program</u>	<u>Findings/Noncompliance</u>	<u>Questioned Costs</u>
2007-2	Medical Assistance Transportation Grant	Eligibility	None

**Condition**

The medical appointments of applicants were not randomly verified to determine that the use of Medicaid transportation was appropriate. We could not find any documentary evidence of random verifications having taken place.

**Criteria**

The Maryland Medical Assistance Program Guide to the transportation grant program requires the County to verify at least a sample of trips.

**Effect**

The program may be made available to non eligible recipients of transportation services.

**Cause**

The County has not designated a person to perform reviews, trip verification and eligibility certification of program participants.

**Recommendation**

We recommend that the County designate a person to perform the control function as well as document performance of control to preclude recurrence and ensure compliance with the grant program requirements.

**Views of Responsible Official**

The Health Department will implement procedures to ensure that only eligible recipients receive services. See Corrective Action Plan for more details.

**PRINCE GEORGE'S COUNTY, MARYLAND**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED JUNE 30, 2007**

<u>No.</u>	<u>Program</u>	<u>Findings/Noncompliance</u>	<u>Questioned Costs</u>
2007-3	Medical Assistance Transportation Grant	Special Tests & Provisions	None

**Condition**

The Data Input Coordinator (DIC) had not entered information validating a disbursement under the program until two and a half months after the activity had occurred. We observed the problem several times on all bills processed during the fiscal year. The delay is caused by the manual input of trip details of the vendor in the system (MUMPS) prior to the DIC's reconciliation against trip schedules in the system.

**Criteria**

The specific requirement of the grant program is that the billing clerk should match vendor bills against the computer run of trips and the no-show file before payment is approved.

**Effect**

Inappropriate billings may not be immediately detected. In addition, manual input of trip details is inefficient because the County could request from the vendor the billing file (text file) for the Data Programmer to import the data into the system (MUMPS) for reconciliation purposes.

**Cause**

The County did not establish quality processes in handling voluminous bills from the vendor.

**Recommendation**

We recommend that the County include in its bid requirement the submission of the billing text file to support vendor invoices to ensure that vendor billings are promptly verified.

**Views of Responsible Official**

A billing clerk has been hired to assist the Data Input Coordinator to ensure prompt validation of bills and disbursements. Additionally a new computer system is being purchased that will assist with bill reconciliation and put an end to the manual checks and balancing of vendors billings. This should ensure that vendor billings are validated within the month of receipt.

**PRINCE GEORGE'S COUNTY, MARYLAND**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED JUNE 30, 2007**

<u>No.</u>	<u>Program</u>	<u>Findings/Noncompliance</u>	<u>Questioned Costs</u>
2007-4	Medical Assistance Transportation Grant	Special Tests & Provisions	None

**Condition**

The County does not have an effective complaint process. It does not provide reasonable information and assistance to ensure that complaints are effectively logged and it has not established quality processes for the efficient acknowledgement and processing of complaints. Also, the complaint logs submitted to the State were not reviewed and approved by the Program Chief. This was noted on both complaint logs reviewed. Moreover, the fourth quarter complaints log was submitted to the State after the lapse of two quarters.

**Criteria**

One of the conditions of the Medical Assistance Transportation Grant is to have a quality assurance process to ensure prompt and consistent delivery by the County and to submit complaint logs to the State on a quarterly basis.

**Effect**

The State requirement is to have a quality assurance process to ensure the prompt and consistent quality of service delivery by the County as well as the providers. Inconsistent implementation of the process could lead to poor service and possible reductions of the grant award.

**Cause**

The County did not establish quality processes in handling complaints and they have not designated personnel to handle complaints and the Program Supervisor did not ensure that the complaint logs were reviewed and approved by the Agency Program Chief prior to submission to the State.

**Recommendation**

We recommend that the County establish quality processes e.g., dedicated phone line to receive complaints, designate a person to receive the complaints, and establish turn around time to resolve the complaints to preclude recurrence and to maintain the program integrity. Also, the County should monitor timely submission of the complaint logs to ensure compliance with the grant program requirements. Complaint logs should be reviewed and approved by the Program Chief prior to submission.

**Views of Responsible Official**

A system focusing upon complaint management, resolution, documentation and reporting has been established. The program's administrative support staff has been identified as the staff person responsible for complaint processing. The staff will work directly with the Program Chief to ensure that reports are prepared monthly and that quarterly reports are sent to the State in a timely manner. The Program Chief has always reviewed this report. Documentation and filing has been impacted by lack of support staff. See Corrective Action Plan for more detail.

**PRINCE GEORGE'S COUNTY, MARYLAND**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED JUNE 30, 2007**

<u>No.</u>	<u>Program</u>	<u>Findings/Noncompliance</u>	<u>Questioned Costs</u>
2007-5	Medical Assistance Transportation Grant	Special Tests & Provisions	None

**Condition**

There was no evidence that regular program staff meetings, as well as meetings involving the Supervisor, Program Chief, Division Director, and the Administrative Assistant for review of the Budget were conducted as evidenced by the absence of minutes of meetings and/or meeting agendas.

**Criteria**

The preparation of minutes and program agendas is one of the conditions of the Medical Assistance Transportation Grant award.

**Effect**

The State requirement to prepare minutes and agendas is a quality assurance process to provide an opportunity for identifying program improvement initiatives. Non implementation of the State's requirement might lead to grant award reductions or administrative sanctions.

**Cause**

The procedure was not followed because of the lack of personnel to prepare the minutes and/or meeting agendas.

**Recommendation**

We recommend that the County comply with the grant program requirements. The Program Chief should ensure that regular meetings are held and documented through minutes and/or meeting agendas.

**Views of Responsible Official**

Temporary support staff has been assigned to take the minutes of program staff meetings. Additionally, a binder has been established for the purpose of filing the minutes. The lack of administrative support affected the documentation of meetings.

**PRINCE GEORGE'S COUNTY, MARYLAND**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED JUNE 30, 2007**

<u>No.</u>	<u>Program</u>	<u>Findings/Noncompliance</u>	<u>Questioned Costs</u>
2007-6	Community Development Block Grant	Davis Bacon Act	None

**Condition**

Based on the Davis Bacon Act requirement, contractors or subcontractors should submit weekly certified payrolls and statements of compliance for the Department of Housing and Community Development's (DHCD) review to ensure that the contractors are paying the prevailing wage rates. We noted that six out of ten project files lacked evidence of weekly payroll submissions and review.

**Criteria**

The Davis Bacon Act requires that all laborers and mechanics employed by contractors or subcontractors to work on construction contracts in excess of \$2,000 financed by federal assistance funds must be paid wages not less than those established for the locality of the project (prevailing wage rates) by the Department of Labor.

**Effect**

DHCD's failure to obtain weekly certified payrolls from the contractors subject to the Davis Bacon Act and to perform interviews of contractor employees may result in the workers being paid below the prevailing wage rates. This is a violation of the compliance requirement which could lead to possible reductions or cancellation of future grant awards.

**Cause**

DHCD's failed to monitor the weekly submission of certified payroll registers from sub-recipients/contractors working on projects subject to the Davis Bacon Act due to the lack of personnel.

**Recommendation**

We recommend that the County, through the Department of Housing and Community Development, consistently monitor the CDBG projects subject to the Davis Bacon Act requirement to ensure that the weekly payroll registers are submitted and reviewed to ensure that the contractors are paying the prevailing wage rates.

**Views of Responsible Official**

The Department of Housing and Community Development will implement procedures to ensure compliance with the Davis Bacon Act. See Corrective Action Plan for more details.

**PRINCE GEORGE'S COUNTY, MARYLAND**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED JUNE 30, 2007**

<u>No.</u>	<u>Program</u>	<u>Findings/Noncompliance</u>	<u>Questioned Costs</u>
2007-7	Homeland Security Grant Program	Equipment and Real Property Management	None

**Condition**

Separate records of fixed assets purchased with federal funds were not properly maintained. As a result, equipment acquired under federal awards totaling \$938,341.59 was recorded as expenditures. The equipment was not recorded in the Capital Asset System and was not capitalized as of June 30, 2007.

**Criteria**

OMB Circular A-102 Common Rule and OMB Circular A-110 require that equipment be used in the program for which it was acquired; that equipment records shall be maintained; and that an appropriate control system shall be used to safeguard equipment.

**Effect**

The capital asset account was understated as of June 30, 2007, and the appropriate capital asset records were not maintained for proper monitoring and safeguarding of assets.

**Cause**

The responsible person at the Homeland Security did not maintain separate records of equipments purchased with federal funds and did not inform the Capital Asset Manager of equipment additions through the preparation of the Capital Asset Information Sheet.

**Recommendation**

Agencies acquiring equipment with federal awards should ensure that all equipment purchased is recorded in the Capital Asset System through coordination with the Capital Asset Manager.

**Views of Responsible Official**

This was an isolated incident. To prevent this occurrence in the future, better coordination between the Project Managers, Fiscal Coordinators and Supply Manager will be established to ensure all equipment purchased is recorded in the Capital Asset System.

**PRINCE GEORGE'S COUNTY, MARYLAND  
MANAGEMENT'S ASSESSMENT OF STATUS OF PRIOR  
AUDIT FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2007**

**Compliance Requirement:** Cash Management

**Program:** HIV Emergency Relief Project Grants

**CFDA No.:** 93.914

**Finding:** We reviewed three (3) cash draw down requests totaling \$1,448,000 and  
**06-1** noted no audit evidence that requests were reviewed and approved by another responsible official prior to submission for reimbursement to the District of Columbia Department of Health Administration for HIV Policy and Programs.

**Status:** The finding has been corrected. Cash draw down requests are submitted through the County's Health Department Financial Services Office for review and approval. This signature block was added to the cash draw down report to ensure compliance.

**PRINCE GEORGE'S COUNTY, MARYLAND  
MANAGEMENT'S ASSESSMENT OF STATUS OF PRIOR  
AUDIT FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2007**

**Compliance**

**Requirement:** Reporting

**Program:** U.S. Department of Health and Human Services  
Passed through the DC Department of Health  
HIV Emergency Relief Project Grants

**CFDA No.:** 93.914

**Finding:** None of the quarterly program reports were prepared by the Health  
**06-2** Department and submitted to the District of Columbia Department of Health  
Administration for HIV Policy and Programs. These reports should identify  
progress in implementing funded programs and services and issues or  
problems that arise which may impede the implementation of strategies for  
resolving them.

**Status:** This has been corrected. The Prince George's County Health Department  
complied with the reporting requirements of the grant.

**PRINCE GEORGE'S COUNTY, MARYLAND  
MANAGEMENT'S ASSESSMENT OF STATUS OF PRIOR  
AUDIT FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2007**

**Compliance**

**Requirement:** Special Tests and Provisions

**Program:** Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) Grants

**CFDA No.:** 10.557

**Finding:** The Health Department (the Department) did not comply with the on-site monitoring visits to at least 10 percent of its authorized food vendors. Only five (5) out of 79 authorized vendors or (6%) were monitored for the grant period ending June 30, 2006.  
**06-3**

**Status:** This has been corrected. The Department has evaluated its current staffing and reassigned duties to attain the required 10 percent on-site monitoring visits of authorized food vendors.

**PRINCE GEORGE'S COUNTY, MARYLAND  
MANAGEMENT'S ASSESSMENT OF STATUS OF PRIOR  
AUDIT FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2007**

**Compliance Requirement:** Reporting

**Program:** Homeland Security Cluster

**CFDA No.:** 97.004 & 97.067

**Finding:** As part of the Memorandum of Agreement between the Maryland  
**06-4** Emergency Management Agency (MEMA) and the Prince George's County Office of Homeland Security (OHS), OHS is required to submit Financial Status Reports and Performance Reports to MEMA on a quarterly basis. We noted only one financial status report was prepared and submitted during the audit period, and none of the performance reports were submitted. In addition, the financial status report was not submitted by the due date in accordance with the agreement.

**Status:** This has been corrected. MEMA has implemented a grants management electronic file system along with a grants coordinator that monitors grantee reports and filings. Also the County Office of Homeland Security monitored the submission of grant reports to ensure timely filing.

**PRINCE GEORGE'S COUNTY, MARYLAND  
MANAGEMENT'S ASSESSMENT OF STATUS OF PRIOR  
AUDIT FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2007**

**Compliance Requirement:** Reporting

**Program:** Special Education – Infants and Toddlers

**CFDA No.:** 84.181

**Finding:** The Health Department did not submit any of the four reports tested in a timely manner. The Local Interagency Plan for Early Intervention Services requires recipients of funding from Part C of the Individuals with Disabilities Act to comply with the reporting requirements detailed in the plan.  
**06-5**

**Status:** The Special Education – Infants and Toddlers program met all reporting requirements during fiscal year 2007.