

Single Audit

Section



Department of Solid Waste/
Recycling



Piney Run Park—Apple Fest 2014



Farm Museum—Fall Harvest
Days 2014



Public Safety/Emergency Management—Home
Depot Safety Day 2014



Bureau of Aging & Disabilities—Senior on the Go Expo 2015

Many Carroll County departments are involved with the community & participate in events all over the county. They host their own events at the parks or they go to different venues to show the citizens the services that we can provide to them.



CliftonLarsonAllen

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

The County Commissioners
of Carroll County
Westminster, Maryland

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, the budgetary comparison of the General Fund, and the aggregate remaining fund information of the County Commissioners of Carroll County, Maryland (the County), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated November 18, 2015. The County's financial statements include the operations of the Carroll County Community College, the Carroll County Board of Education, the Industrial Development Authority of Carroll County, and the Carroll County Public Library for the year ended June 30, 2015. Our audit described below, did not include operations of the entities because these entities engaged for their own separate audit in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a deficiency in internal control, as described in the accompanying schedule of findings and questioned costs as item 2015-001, that we consider to be significant deficiency.

Compliance and Other Matters

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

County's Responses to Findings

The County's response to the finding, item 2015-001, identified in our audit is described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

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

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

CliftonLarsonAllen LLP

Baltimore, Maryland

November 18, 2015

**Independent Auditors' Report on Compliance with Requirements That
Could Have a Direct and Material Effect on Each Major Federal Program and on
Internal Control over Compliance in Accordance with OMB Circular A-133**

The County Commissioners
of Carroll County
Westminster, Maryland

Report on Compliance for Each Major Federal Program

We have audited the County Commissioners of Carroll County, Maryland's (the County) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2015. The County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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.

The County's financial statements include the operations of the Carroll County Community College, the Carroll County Board of Education, the Industrial Development Authority of Carroll County, and the Carroll County Public Library for the year ended June 30, 2015, component units which may have received federal awards, and which are not included in the schedule of expenditures of federal awards for the year ended June 30, 2015. Our audit described below did not include the operations of these entities because we were separately engaged to perform and have separately reported on the results of our audits of the Carroll County Community College, the Carroll County Board of Education, the Industrial Development Authority of Carroll County, and the Carroll County Public Library, in accordance with OMB Circular A-133, if required.

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

Opinion on Each Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 2015-002 and 2015-003. Our opinion on each major federal program is not modified with respect to these matters.

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

Report on Internal Control Over Compliance

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

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. *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.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items 2015-002 and 2015-003 that we consider to be significant deficiencies.

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

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

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Baltimore, Maryland

November 18, 2015

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2015

Federal Grantor/ Program Title	Federal CFDA Number	Expenditures
U.S. Department of Housing and Urban Development		
Direct Funding:		
Section 8 Housing Choice Vouchers Cluster:		
HUD Housing FY15	14.871	\$ 5,061,008
HUD Housing Admin FY15	14.871	466,956
FSS FED FY15	14.871	65,754
HUD Housing FY16	14.871	406,506
HUD Housing Admin FY16	14.871	627
Housing Counseling FY05	14.871	(216)
Section 8 Voucher Admin Federal Funded Subsidy FY03	14.871	1,853
Total Section 8 Housing Choice Voucher Cluster:		<u>6,002,488</u>
Continium of Care Plan FY 12	14.267	3,276
Continium of Care Plan FY 13	14.267	2,861
Passed Through Maryland Department of Community Development:		
Emergency Solutions FFY13	14.231	80,885
Home Initiatives Program FY12	14.239	11,878
Total U.S. Department of Housing and Urban Development		<u>6,101,388</u>
U.S. Department of Labor		
Passed Through Howard County Manpower Resources		
Employment and Training Assistance:		
Workforce Investment Assistance Cluster:		
BERC-Title I Adult FY15	17.258	11,377
Economically Disadvantaged Youth IIC FY14	17.259	73,103
Economically Disadvantaged Youth FY10	17.259	1,185
BERC-Youth FY15	17.259	3,916
BERC-Title I Disc Worker FY15	17.278	228,652
Economically Disadvantaged IIA FY14	17.278	173,040
Dislocated Workers III FY14	17.278	424,234
Adminstration FY14	17.278	16,109
BERC-Admin FY15	17.278	7,558
Total Workforce Investment Assistance Cluster:		<u>939,174</u>
Total U.S. Department of Health and Human Services		<u>939,174</u>
U.S. Department of Health and Human Services		
Passed Through Maryland Office on Aging:		
Aging Cluster:		
Title III, Part B FY14	93.044	30,987
Title III, Part B FY15	93.044	59,185
Title III, Part C FY15	93.045	95,532
Home Delivered Meals FY15	93.045	58,743
Title III, Part C FY14	93.045	102,195
Home Delivered Meals FY14	93.045	17,373
Total Aging Cluster:		<u>364,015</u>
Title III, Part D FY14	93.043	5,512
Title III, Part D FY15	93.043	5,242
Title III, Part E FY14	93.052	23,522
Title III, Part E FY15	93.052	37,015

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2015

Federal Grantor/ Program Title	Federal CFDA Number	Expenditures
U.S. Department of Health and Human Services		
Passed Through Maryland Office on Aging:		
Ombudsman FY15	93.042	\$ 17,069
Ombudsman FY14	93.042	11,967
SMP-Exp FFY14	93.048	1,380
SMP-Exp FFY15	93.048	1,361
SMP-FFY15 Sr Med Patrol	93.048	5,618
Alcohol Compliance FY15	93.240	2,208
SHIP/SMP FY15	93.324	13,736
SHP FY16	93.324	8,247
MIPPA FY14	93.779	10,763
MIPPA FY15	93.779	4,798
Access to Recovery FY13	93.959	11,611
Passed Through Maryland State Department of Human Resources:		
Circuit Court Child Supp FY14	93.563	5,322
State's Atty Child Support FY14	93.563	140,069
Sheriff Child Support FY14	93.563	23,346
Circuit Ct Child Support FY15	93.563	14,627
St Atty Child Support FY15	93.563	436,034
Sheriff Child Support FY15	93.563	101,857
Safe+Stable FY15	93.563	125,824
Sheriff CCAIC Training Enhance FY15	93.643	980
TANF Cluster:		
Family Preservation FY15	93.558	356,250
Passed Through Maryland State Department of Health & Mental Hygiene:		
Medicaid Cluster:		
MAP FY15	93.778	95,152
MA Waiver FY14	93.778	351
MA Waiver FY15	93.778	223,707
Total Medicaid Cluster:		<u>319,210</u>
MAP Exp FY14	93.779	9,917
MFP FY15	93.791	3,137
MFP FY14	93.791	14
Total of U.S. Department of Health and Human Services		<u>2,060,651</u>
U.S. Department of Transportation		
Passed Through Maryland State Highway Administration:		
Highway Safety Cluster:		
Highway Safety Enforc FY14	20.600	16,786
Sheriff Highway Safety FY15	20.600	4,170
Smooth Operator FY11	20.609	1,816
Total Highway Safety Cluster:		<u>22,772</u>
Section 5311 FY15	20.509	65,603
Section 5307 FY15	20.509	149,441
Older Driver FY15	20.614	809
Federal Transit Cluster:		
Section 5311 Cap FY15 BR	20.507	23,944
Total U.S. Department of Transportation		<u>262,569</u>

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2015

Federal Grantor/ Program Title	Federal CFDA Number	Expenditures
U.S. Department of Homeland Security		
Passed Through The Governor's Office of Crime Control and Prevention:		
Emerg Mgmt Perf FFY12	97.042	\$ 40,549
Emerg Mgmt Perf FFY13	97.042	48,641
Emerg Mgmt Perf FFY14	97.042	109,270
Passed Through Maryland Emergency Management Administration:		
UASI FFY12 Hazmat	97.008	531
UASI FFY12 Regional Planners	97.008	(62)
UASI FFY12 Functional Needs	97.008	(150)
UASI FFY13 Law Enforcement	97.008	59,329
UASI FFY13 CCTV	97.008	20,000
UASI FFY13 Hazmat	97.008	27,362
UASI FFY13 ENS Software	97.008	16,521
UASI FFY13 Emergency Planners	97.008	85,153
UASI FFY13 Regional Shltr Prep	97.008	8,970
UASI FFY13 MCCV	97.008	16,375
UASI FFY13 Incident Mgmt Sftwr	97.008	10,000
Emergency Planners	97.008	19,883
UASI-FFY11 InterOp Comm	97.008	22,948
UASI-FFY12 InterOp Comm	97.008	3,261
Est Emergency Operations Center	97.008	1,146
Respond to all Hazrds	97.008	28,837
UASI-Law Enforcement	97.008	37,438
UASI-Hazmat	97.008	10,783
UASI-MCCV	97.008	6,407
UASI-Incident Mgmt Software	97.008	10,780
Emer Notification System Softww	97.008	11,327
Mass Care Sheltering Supplies	97.008	159
UASI-Function'l Need Comm Supp	97.008	2,442
UASI-Hazmat FFY11	97.008	(85)
UASI-LETPA Equip/Train FFY11	97.008	(3,000)
UASI-Regional Planners FFY11	97.008	2,690
UASI-Technology Trn FFY11	97.008	153
UASI-Shelter Supplies FFY11	97.008	(17)
UASI-Web EOC FFY11	97.008	7,544
SHSP FFY13 EOC	97.067	14,585
State Homeland Security FFY13	97.067	27,501
SHSP FFY12 Training	97.067	(120)
SHSP FFY12 DICS	97.067	23,459
SHSP FFY13 Dev/Enh	97.067	12,000
SHSP FFY13 Recover Hazmat	97.067	9,242
SHSP FFY13 Respond Hazmat	97.067	7,000
SHSP FFY13 CAEPPR	97.067	9,000
UASI FFY12 Planners	97.067	(462)
Est sustainhomeland SECU Prog	97.067	35,000
Interoperable Comm FFY11	97.073	27,659
HAZMAT Response FFY11	97.073	(11)
HAZMAT FY14	97.021	2,800
Total U.S. Department of Homeland Security		<u>772,838</u>

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2015

Federal Grantor/ Program Title	Federal CFDA Number	Expenditures
U.S. Department of Energy		
Passed Through State Department of Human Resources:		
Weatherization EmPower	81.042	\$ 34,655
Weatherization FY15	81.042	27,815
Weatherization Admin gFY15	81.042	12,384
ARRA EECBG Grant	81.128	3,210
Total U.S. Department of Energy		<u>78,064</u>
U.S. Department of Justice		
Passed Through Maryland Emergency Management Administration:		
Adult Drug Court FY12	16.738	163,813
Cellular Forensics FY15	16.738	5,000
Drug Court FY15	16.740	14,902
Immigration & Custom Enforcement (ICE)	16.590	2,287
Passed Through The Governor's Office of Crime Control and Prevention:		
Adventure Diversion Prog FY15	16.563	76,665
VAWA FY14 State's Atty	16.588	24,333
VAWA FY15 State's Atty	16.588	100,754
Sheriff VAWA FY15	16.588	37,886
Sheriff VAWA FY14	16.588	9,902
Passed Through The Department of Justice National Network of Children:		
Advocacy Center Grant FY15	16.582	8,338
Total U.S. Department of Justice		<u>443,880</u>
Total Federal Programs		<u>\$ 10,658,564</u>

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
June 30, 2015

NOTE 1 – REPORTING ENTITY

The accompanying Schedule of Expenditures of Federal Awards presents the expenditures of all federal award programs of the County Commissioners of Carroll County, Maryland (the County) for the year ended June 30, 2015.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards has been prepared using the modified accrual basis of accounting as fully described in the Summary of Significant Accounting Policies accompanying the County's basic financial statements.

NOTE 3 – RELATION TO BASIC FINANCIAL STATEMENTS AND FEDERAL FINANCIAL REPORTS

Amounts reported in the accompanying Schedule of Expenditures of Federal Awards agree with amounts reported in the basic financial statements and the related federal financial reports submitted by the County.

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2015**

Section I – Summary of Auditors’ Results

Financial Statements

Type of auditors’ report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? _____ yes X no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? X yes _____ none reported
- Noncompliance material to financial statements noted? _____ yes X no

Federal Awards

Internal control over major programs:

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

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

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

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
17.258, 17.259, 17.278	Workforce Investment Act (WIA) Cluster
14.871	Housing Choice Voucher (HCVP) Cluster
93.558	Temporary Assistance for Needy Families (TANF) Cluster

Dollar threshold used to distinguish between type A and type B programs: \$319,757

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

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2015

Section II – Financial Statement Findings

2015 – 001

Description: Prior Period Adjustment to Capital Assets
Type of Finding: Significant Deficiency

Condition/Context

A prior period restatement was necessary to correctly record assets placed into service in prior years. The effect of the adjustment was an increase in Capital Assets to Governmental Activities of \$3,343,980 and to Business-type Activities of \$7,697,795 with a corresponding increase to Net Position, Net Invested in Capital Assets, for the respective amounts.

Criteria

COSO/Internal Control Framework defines control activities as “policies and procedures that help to ensure management’s directives are carried out.” Management review controls are defined as, “the activities of a person, different than the preparer, through analyzing and performing oversight activities performed, and is an integral part of any internal control structure.” COSO/Internal Control Framework state that control activities must be in place for there to be adequate internal control procedures over financial reporting. Furthermore, these control activities should be performed timely to ensure financial transactions are recorded in the correct reporting period in compliance with Generally Accepted Accounting Principles (GAAP) and the standards set by the Governmental Accounting Standards Board (GASB).

Cause

This was the result of information regarding the construction and donation of capital assets, including the value of the assets and the date placed in service, not being communicated to the Comptroller’s Office in a timely manner to ensure the transactions were properly recorded in the correct reporting period.

Effect

A prior period restatement was recorded to correct the error.

Recommendation

We recommend that management of the County review current procedures and make appropriate changes to ensure that necessary information related to construction and donation of capital assets, including the value of assets and the date placed in service, be communicated to the Comptroller’s Office in a timely manner that allows the finance staff to properly record the transaction in the correct fiscal period.

Views of the Responsible Officials and Corrective Action Plan

The County agrees with this internal control concern and in the future will recognize and properly record all donated or transferred assets at the time of donation or transfer. The County will update accounting procedures to include quarterly reviews of general ledger transactions to confirm that all revenues, expenditures, assets and liabilities are recorded in the proper fiscal year. The review process will be initiated by the Comptroller’s Office.

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2015

Section III – Federal Award Findings and Questioned Costs

2015 – 002

Federal agency: U.S. Department of Health and Human Services

Federal program: Temporary Assistance for Needy Families (TANF)

CFDA Number: 93.558

Pass-Through Agency: Maryland State Department of Human Resources

Pass-Through Number: CRRL/SSA 14-013

Compliance Requirement: Subrecipient Monitoring

Type of Finding: Control and Compliance, Significant Deficiency

Criteria or specific requirement: According to OMB Circular A-133, at the time of the subaward, the pass through entity is responsible for identifying to the subrecipient the Federal award information (i.e., CFDA title and number; award name and number; if the award is research and development; and name of Federal awarding agency) and applicable compliance requirements.

Condition/Context: For 1 of 1 subrecipients selected for audit testing, at the time the subaward was made, the County's Department of Citizen Services did not identify the CFDA title and number, award number, and name of Federal awarding agency.

Questioned costs: None

Cause: The County's Department of Citizen Services does not have policies and procedures in place to ensure that subrecipient agreements contain required Federal identifying information.

Effect: The County's Department of Citizen Services is not in compliance with subrecipient pass through identifying information requirements.

Recommendation: We recommend the County's Department of Citizen Services establish policies and procedures to ensure that subrecipient agreements contain required Federal identifying information.

Views of responsible officials and planned corrective actions:

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Actions planned in response to finding: Carroll County Grant's Management Office will change their procedures as soon as possible to collect all necessary information on new Grant awards. Local Management Board will establish procedures to ensure that sub-recipient agreements contain required Federal identifying information.

Responsible party: Manager, Carroll County employee authorized to sign the subaward. Department/Agency responsible for operating the Grant. Carroll County Grant's Management Office.

Planned completion date for corrective action plan: February 28, 2016

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2015

Plan to monitor completion of corrective action plan: Carroll County Grants Office will change their procedures as soon as possible to collect necessary information on new Grant awards and will communicate the information to County Departments to include in any subaward.

2015 – 003

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

Federal program: Housing Choice Voucher Program (HCVP)

CFDA Number: 14.871

Compliance Requirement: Special Tests, Housing Quality Standards - Failed Inspections

Type of Finding: Control and Compliance, Significant Deficiency

Criteria or specific requirement: 24 CFR 982.158(d) and 982.404 state that for units under HAP contract that fail to meet HQS, the PHA must require the owner to correct any life threatening HQS deficiencies within 24 hours after the inspection and all other HQS deficiencies within 30 calendar days or within a specified PHA-approved extension. If the owner does not correct the cited HQS deficiencies within the specified correction period, the PHA must stop (abate) HAP beginning no later than the first of the month following the specified correction period or must terminate the HAP contract. The owner is not responsible for a breach of HQS as a result of the family's failure to pay for utilities for which the family is responsible under the lease or for tenant damage. For family-caused defects, if the family does not correct the cited HQS deficiencies within the specified correction period, the PHA must take prompt and vigorous action to enforce the family obligations.

Condition/Context: A sample of 40 files tested for failed inspection purposes found 1 file which documented the County's Bureau of Housing did not take prompt and vigorous action to enforce family obligations for family-caused defects. The unit in question did not pass inspection until 27 days after the required corrective period.

Questioned costs: None

Cause: The County's Bureau of Housing did not follow established procedures to ensure prompt and vigorous action to enforce family obligations related to family-caused defects resulting in a failed HQS inspection.

Effect: The County's Bureau of Housing is not in compliance with HUD regulations regarding the unit that did not meet HQS.

Recommendation: We recommend the County's Bureau of Housing continue to monitor and enhance procedures in place to ensure compliance with HQS requirements.

Views of responsible officials and planned corrective actions:

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2015

Actions planned in response to finding:

- The Inspector will review the inspection fail log weekly to determine deadline dates for failed inspections.
- The inspector will send a letter within 24 hours of the failed inspection, informing the landlord and tenant of the 21 day requirement to call and reschedule the inspection to determine that the unit receives passing inspection within 30 days of the fail items and consequences of abatement if the unit does not pass within 30 days.
- The inspector will advise the landlord, tenant if upon re-inspection the item(s) was not corrected or if the inspector was unable to re-inspect the unit.
- The inspector will inform the Housing Specialist and Program Manager, by memo if they are unable to pass the unit within the required 30 days and an extension was not granted.
- The Housing Specialist will inform the tenant and owner of any abatement of rent or will inform the Program Manager by memo of request for termination and supply all letters and documents pertaining to the inspection.
- Program Manager will review the inspection fail log monthly to review current and pending inspections to ensure the thirty day requirement is met and if not that the appropriate measures have been taken.

Responsible party: Inspector, Housing Specialist and Program Manager

Planned completion date for corrective action plan: December 1, 2015.

Plan to monitor completion of corrective action plan: The Housing Program Manager will monitor the failed inspection log on a monthly basis to determine if the units have passed within 30 days or the process of abatement or termination has begun or if an extension has been granted.

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
Year Ended June 30, 2015**

No prior year findings related to federal awards.