

GUILFORD COUNTY, NORTH CAROLINA

COMPLIANCE REPORT

As of and for the Year Ended June 30, 2019

And Report of Independent Auditor

GUILFORD COUNTY, NORTH CAROLINA

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Report of Independent Auditor 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*

To the Board of County Commissioners
Guilford County, North Carolina

We have audited, 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, the financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Guilford County, North Carolina (the "County"), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprises the County's basic financial statements, and have issued our report thereon dated November 25, 2019. The financial statements of the Greensboro/Guilford County Tourism Development Authority were not audited 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 County's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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*.

Purpose of this Report

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

Chemy Bekaert LLP

Raleigh, North Carolina
November 25, 2019

**Report of Independent Auditor on Compliance for Each Major Federal Program and on
Internal Control over Compliance in Accordance with OMB Uniform Guidance
and the State Single Audit Implementation Act**

To the Board of County Commissioners
Guilford County, North Carolina

Report on Compliance for Each Major Federal Program

We have audited Guilford County, North Carolina (the “County”), compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (“OMB”) Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of the County’s major federal programs for the year ended June 30, 2019. 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.

Management’s Responsibility

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

Auditor’s 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; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”); and the State Single Audit Implementation Act. Those standards, the OMB Uniform Guidance, and the State Single Audit Implementation Act 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 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 other major federal programs for the year ended June 30, 2019.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2019-001, 2019-002, 2019-003, and 2019-004. Our opinion on each major federal program is not modified with respect to these matters.

Guilford County’s Response to Findings

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 a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the OMB Uniform Guidance, 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 a 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 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 and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2019-002 and 2019-003 that we consider to be significant deficiencies.

Guilford County's Response to Findings

The County's responses to the internal control over compliance finding 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 Schedule of Expenditures of Federal and State Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated November 25, 2019, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying schedule of expenditures of federal and State awards is presented for purposes of additional analysis as required by the OMB Uniform Guidance and the State Single Audit Implementation Act and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and, certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal and State awards is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

Chemy Bekaert LLP

Raleigh, North Carolina
November 25, 2019

**Report of Independent Auditor on Compliance for Each Major State Program and on
Internal Control over Compliance in Accordance with OMB Uniform Guidance
and the State Single Audit Implementation Act**

To the Board of County Commissioners
Guilford County, North Carolina

Report on Compliance for Each Major State Program

We have audited Guilford County, North Carolina (the “County”), compliance with the types of compliance requirements described in the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of the County’s major State programs for the year ended June 30, 2019. The County’s major State programs are identified in the summary of auditor’s 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 State programs.

Auditor’s Responsibility

Our responsibility is to express an opinion on compliance for each of the County’s major State programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and applicable sections of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”) as described in the *Audit Manual for Governmental Auditors in North Carolina* and the State Single Audit Implementation Act. Those standards, the Uniform Guidance, and the State Single Audit Implementation Act 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 State program occurred. An audit includes examining on a test basis, evidence about the County’s compliance with those requirements, and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major State Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major State programs for the year ended June 30, 2019.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with applicable sections of the Uniform Guidance as described in the *Audit Manual for Governmental Auditors in North Carolina* and which is described in the accompanying schedule of findings and questioned costs as item 2019-004. Our opinion on each major State program is not modified with respect to this matter.

Guilford County's Response to Finding

The County's response to the noncompliance finding 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 compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on a major State program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major State program and to test and report on internal control over compliance in accordance with the Uniform Guidance, 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 State program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a 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 State program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a State program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Schedule of Expenditures of Federal and State Awards Required by the Uniform Guidance and the State Single Audit Implementation Act

We have audited the financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated November 25, 2019, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying schedule of expenditures of federal and State awards is presented for purposes of additional analysis as required by the OMB Uniform Guidance and the State Single Audit Implementation Act and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and, certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal and State awards is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Chemy Bekaert LLP

Raleigh, North Carolina
November 25, 2019

GUILFORD COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FISCAL YEAR ENDED JUNE 30, 2019

Section I – Summary of Auditor’s Results (continued)

Federal programs that did not meet the criteria for a major program using the criteria discussed in OMB Uniform Guidance Section 200.518 but were tested as a major program because the State awards met the threshold for a major State program or were required to be tested as a major program by the State are included in the list of major federal programs.

Dollar threshold used to distinguish between Type A and Type B Programs \$ 1,315,488

Auditee qualified as low-risk auditee yes no

State Awards

Internal control over major State programs:

- Material weakness(es) identified? yes no
- Significant deficiency(ies) identified? yes no

Noncompliance material to State awards? yes no

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

Any audit findings disclosed that are required to be reported in accordance with the State Single Audit Implementation Act yes no

Identification of major State programs:

State Program Name

Smart Start Family Connects

Juvenile Crime Prevention Council Programs

Public School Building Capital Fund

State matching funds related to federal programs

CFDA No. _____

Program Name

93.778

Medical Assistance Program

GUILFORD COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FISCAL YEAR ENDED JUNE 30, 2019

Section II – Financial Statement Findings

None reported.

Section III – Federal Awards Findings and Questioned Costs

U.S. Department of Health and Human Services
Passed through N.C. Department of Health and Human Services, Division of Child Development
Program Name: Subsidized Child Care Cluster
CFDA#: 93.575 and 93.596

Finding: 2019-001

Nonmaterial Noncompliance – Allowable Costs/Activities, Eligibility, and Special Tests and Provisions (Federal)

Criteria or Specific Requirement: As noted in the Subsidized Child Care Service Manual, Chapter 4, the DCD-0456, Application for Child Care Services, must be signed by the parent, responsible adult, or designated staff person (if the child is in county custody or services are needed to support Child Protective Services) at the time of initial determination of eligibility. As noted in the Subsidized Child Care Service Manual, Chapter 9, DCD-0446, Child Care Vouchers are to be printed for parental signature.

Condition: We noted one instance out of 40 cases tested in which the case file was missing the required signatures on the DCD-0456.

Known questioned costs: None noted.

Context: We noted one instance in which a case file include the DCD-0456 but the form was not signed by the applicant or caseworker.

Effect: The County was not in compliance with the Subsidized Child Care Service Manual.

Cause: The County's review control was not operating effectively.

Recommendation: We recommend the County implement a process to ensure all forms are adequately signed.

Views of responsible officials: Management agrees with the finding.

GUILFORD COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FISCAL YEAR ENDED JUNE 30, 2019

Section II – Financial Statement Findings (continued)

U.S. Department of Health and Human Services
Passed-through the N.C. Dept. of Health and Human Services, Division of Social Services
Program Name: Temporary Assistance for Needy Families
CFDA # 93.558

Finding: 2019-002

Significant Deficiency – Nonmaterial Noncompliance – Eligibility (Federal)

Criteria: County should adhere to all determinations and redeterminations in accordance with program eligibility requirements.

Condition: During our testing of eligibility, we noted seven instances where there was noncompliance with the Temporary Assistance for Needy Families program requirements.

Context: A sample of 40 case files was tested. Of the 40 files sampled, we noted the following:

- Three instances in which payment was incorrectly calculated.
- Three instances where the OLV had not been run for the period tested.
- One instance where resources or countable assets were not verified.

Known Questioned Costs: For one case the caseworker did not run online verification form (“OLV”) which would have shown a social security payment in July. The questioned costs for this case is \$715 as the benefit payment should have been adjusted. For one case the caseworker did not run OLV which would have shown child support being received. The reduction in benefits for this case would have be \$86 per month for a total of three months or \$258. For one case the caseworker did not included child support in the calculation of countable assets. The reduction in benefits for this case would have been \$27 for one month.

Effect: The County may provide benefits to individuals that are not eligible for the program. By not maintaining supporting documentation of the OLV in the file, there is the risk that countable income could have been calculated incorrectly. If countable income is incorrectly counted, recipients could receive incorrect benefit payments.

Cause: Caseworker oversight.

Recommendation: Although these issues will occur from time to time considering the volume of case files that the County processes and maintains, it is recommended that procedures are enforced to verify all required eligibility information is obtained, recorded, and updated appropriately.

Views of Responsible Officials: Management agrees with the finding.

GUILFORD COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FISCAL YEAR ENDED JUNE 30, 2019

Section II – Financial Statement Findings (continued)

U.S. Department of Health and Human Services
Passed through N.C. Department of Health and Human Services, Division of Social Services
Program Name: Temporary Assistance for Needy Families
CFDA#: 93.558

Finding: 2019-003

Significant Deficiency – Nonmaterial Noncompliance – Eligibility (Federal)

Criteria or Specific Requirement: In accordance with Section 200.303 of the Uniform Grant Guidance, each non-federal entry must establish and maintain effective internal controls over the federal award that provides assurance that the non-federal entity is managing the federal awards in compliance with federal statutes, regulations, and the terms and conditions of the federal award.

Condition: We noted one instance in which corrective action on an eligibility case selected by the County's Quality Assurance Department was not remediated during the fiscal year, resulting in an ineligible case.

Context: Out of 40 cases tested for eligibility, one case did not meet the County's documentation and process standards. Corrections to this case were not made until 3 months after the date of recertification. Case was deemed ineligible once the review occurred as the participant was in non-cooperation status with Child Support at the time of application.

Known Questioned Costs: Total questioned costs of \$703 based on payments made during the period of ineligibility.

Effect: Case file was incomplete or did not adhere to the County's policies or procedures.

Cause: The County's policy to quality review remediation is to only correct cases if the individual's eligibility status could change (due to the case load of current workers). Other quality control case findings are considered during training exercises. The case noted was not corrected due to caseworker oversight.

Recommendation: We recommend the County implement procedures to ensure cases selected for quality review that could result in an individual being ineligible to be remediated in a timely manner. Best practices in this regard are within 30 days.

Views of Responsible Officials: Management agrees with the finding.

GUILFORD COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FISCAL YEAR ENDED JUNE 30, 2019

Section II – Financial Statement Findings (continued)

U.S. Department of Health and Human Services
Passed through the N.C. Department of Health and Human Services
Program Name: Medical Assistance
CFDA # 93.778

Finding 2019-004

Nonmaterial Noncompliance – Eligibility (Federal and State)

Criteria: The County should have adequate monitoring controls to ensure that all information is updated appropriately in recipient's files and in the NCFAST system, and to ensure all required physical documentation is located in the file to properly document eligibility with program requirements.

Condition: One instance in which documentation was missing or incorrectly documented in the case file. Two instances of incorrect eligibility determination were noted.

Questioned Costs: None. Costs are under the amount to be reported.

Context: We examined 93 case files. Of the 93 files sampled, we noted 3 of the files had missing or incorrect documentation as follows:

- One case where the OVS/OLV were not completed. Wages were being incorrectly calculated, but did not affect Medicaid classification.
- One case where MPW recertification was not conducted timely, forcing the month tested to a lesser benefit of MAF-C. Employment income was not being counted for one of the two listed jobs. Income determination was incorrectly calculating client's income.
- One case where the household detail was incorrect and the category class was incorrect. Client should have received MIC-N and not MIC-1.

Upon reexamination of each of the files listed above, the County was able to substantiate all of the recipients were eligible to receive Medicaid benefits and no additional payments were made during the period. This was accomplished by such means as re-computation of the budget by retrieving the OLV which matched the Medicaid coverage period to ensure all appropriate income sources were included in the computation.

Effect: By not having the required documentation in the files or information being incorrectly documented, eligibility cannot be readily substantiated and there is a risk the County could provide funding to individuals who are not eligible.

Cause: Caseworker oversight.

Identification of a Repeat Finding: This is a repeat finding from the Agreed-Upon Procedures performed over Medicaid for the fiscal year 2018.

Recommendation: Although these issues will occur from time to time considering the volume of case files that the County processes and maintains, we recommend procedures be reinforced in order to ensure all proper documentation is kept and maintained in the case file in an attempt to prevent loose filings resulting in missing documentation.

Views of Responsible Officials: Management agrees with the finding.

GUILFORD COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FISCAL YEAR ENDED JUNE 30, 2019

Section IV – State Awards Findings and Questioned Costs

See Finding 2019-004 above.



GUILFORD COUNTY, NORTH CAROLINA CORRECTIVE ACTION PLAN

FISCAL YEAR ENDED JUNE 30, 2019

Section II – Financial Statement Findings

None reported.

Section III – Federal Awards Findings and Questioned Costs

2019-001

Name of contact person: Randal Hoover

Corrective Action: Subsidized Child Care Service Manual, Chapter 4 and Chapter 9 will be discussed during a called unit meeting with all Child Care staff. Specific discussion will be held concerning proper signatures of the DCD-0456 by the applicant and caseworker.

Proposed Completion Date: 12/05/2019

2019-002

Name of contact person: Randal Hoover

Corrective Action: Refresher training will be conducted with all Work First staff by the Economic Services Work First/TANF trainer. Refresher will include specific policy surrounding income calculation, proper completion of OLV/OVS and correct verification of resources to determine correct eligibility for TANF applicants.

Proposed Completion Date: 01/10/2020

2019-003

Name of Contact Person: Randal Hoover

Corrective Action: Our goal is to have all case corrections from agency audits completed within 10 business days of notification of error from the Quality Assurance Team. However, there may be instances when due to the complexity of the case and/or information needed from third-parties (e.g., alimony/documentation) that additional time will be needed. In no circumstance will any case remain open past 30 calendar days when all information is available. The Work First/TANF Supervisor will ensure corrections are completed timely in accordance with agency protocol for internal audits.

Proposed Completion Date: 12/31/2019

2019-004

Name of Contact Person: Abbi Gill

Corrective Action: Supervisors will continuously pull cases for random audits to check if sufficient documentation is present and to ensure all procedures are followed correctly. Medicaid caseworkers will work on critical cases such as MPW timely to avoid forcing a case to another aid program. Medicaid caseworkers will document in case records if they are unable to run OVS and will upload OLV in NCFAS.

Proposed Completion Date: 06/30/2020

Section IV – State Awards Findings and Questioned Costs

See 2019-004 above.

GUILFORD COUNTY, NORTH CAROLINA
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

FISCAL YEAR ENDED JUNE 30, 2019

Section V – Status of Prior Year Findings and Questioned Costs

None noted.

GUILFORD COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS (CONTINUED)

FISCAL YEAR ENDED JUNE 30, 2019

Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	State/Pass-Through Grantor's Number	Expenditures		
			Federal	State	Passed Through to Subrecipients
FEDERAL AWARDS					
<u>U.S. Department of Agriculture</u>					
<i>Child Nutrition Cluster:</i>					
Passed Through N.C. Department of Public Instruction:					
National School Lunch Program	10.555	1167	\$ 44,184	\$ -	-
School Breakfast Program	10.553	1167	22,658	-	-
<i>Total Child Nutrition Cluster</i>			<u>66,842</u>	<u>-</u>	<u>-</u>
Passed Through N.C. Department of Health and Human Services:					
Division of Social Services:					
<i>Supplemental Nutrition Assistance Program (SNAP) Cluster:</i>					
Supplemental Nutrition Assistance Program Administration (Note 1)	10.561	-	5,099,294	66,763	-
Supplemental Nutrition Assistance Fraud Administration (Note 1)	10.561	-	75,555	-	-
<i>Total Supplemental Nutrition Assistance Program (SNAP) Cluster</i>			<u>5,174,849</u>	<u>66,763</u>	<u>-</u>
Division of Women's and Children's Health:					
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	13A25405GJ41, 13A25405GK41, 13A25409GK41, 13A25409GJ41, 13A25403GJ41, 13A25403GK41, 13A2570KJQ41, 13A2570BJQ41, 13A25404GJ41, 13A2570AJQ41, 13A25404GK41	2,367,511	-	-
Passed Through City of Greensboro, North Carolina:					
Agriculture Marketing Service	10.172	16LFPNCC0019	4,291	-	-
Total U.S. Department of Agriculture			<u>7,613,493</u>	<u>66,763</u>	<u>-</u>
<u>U.S. Department of the Interior</u>					
Passed Through N.C. Department of Environment and Natural Resources:					
Passed through N.C. Historic Preservation office:					
Historic Restoration Grant	15.904	-	9,000	-	-
Total U.S. Department of the Interior			<u>9,000</u>	<u>-</u>	<u>-</u>
<u>U.S. Department of Justice</u>					
Passed Through N.C. Department of Crime Control and Public Safety:					
Governor's Crime Commission: Guilford FJC Enhanced Coordination and Support of Child and Elder Justice Services	16.575	2018-V2-GX-0061	19,343	-	-
Violence against Women Formula Grant	16.588	2018-WF-AX-0026	61,386	-	-
FamilyJustice Center	16.588	2014-WF-AX-0015	24,667	-	-
Governor's Crime Commission: Justice Center High Point	16.588	2014-DJ-WF-AX-0015	30,547	-	-
Governor's Crime Commission: High Point/Guilford Civil Legal Support Family Justice 2018	16.588	2018-WF-AX-0026	98,557	-	-
Direct Programs:					
Federal Forfeitures	16.922	-	209,705	-	-
State Criminal Alien Assistance Program	16.606	-	82,714	-	-
Total U.S. Department of Justice			<u>526,919</u>	<u>-</u>	<u>-</u>
<u>U.S. Department of Treasury</u>					
Direct Programs:					
Federal Forfeitures	21.000	-	11,261	-	-
Total U.S. Department of Treasury			<u>11,261</u>	<u>-</u>	<u>-</u>
<u>U.S. Department of Labor</u>					
Passed Through N.C. Department of Commerce:					
Division of Workforce Solutions:					
Passed Through City of Greensboro, North Carolina:					
<i>WIA/WIOA Cluster:</i>					
WIA/WIOA Adult Program	17.258	3-2020-42	4,213	-	-
WIA/WIOA Youth Activities	17.259	3-2040-42	4,194	-	-
<i>Total Workforce Investment Act Cluster</i>			<u>8,407</u>	<u>-</u>	<u>-</u>
Total U.S. Department of Labor			<u>8,407</u>	<u>-</u>	<u>-</u>

GUILFORD COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS (CONTINUED)

FISCAL YEAR ENDED JUNE 30, 2019

Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	State/Pass-Through Grantor's Number	Expenditures		
			Federal	State	Passed Through to Subrecipients
FEDERAL AWARDS (Continued)					
U.S. Department of Transportation					
Passed Through the N.C. Department of Transportation:					
<i>Transit Services Programs Cluster:</i>					
Enhance Mobility of Seniors with Disabilities	20.513	18-ED-049	\$ 101,000	\$ -	\$ -
Passed Through City of Greensboro, North Carolina:					
FTA - Enhance Mobility of Seniors with Disabilities	20.513	NC-16-X470	50,000	-	-
<i>Total Transit Services Programs Cluster</i>			<u>151,000</u>	<u>-</u>	<u>-</u>
<i>Federal Transit Cluster:</i>					
Federal Transit Formula Grant-Urbanized Area Program	20.507	18-SU-049	35,000	-	-
<i>Total Federal Transit Cluster</i>			<u>35,000</u>	<u>-</u>	<u>-</u>
<i>Highway Safety Cluster:</i>					
Law Enforcement-Bike Safety Program	20.600	MC-2017-16-01	1,043	-	-
Law Enforcement-Bike Safety Program	20.600	M9MT-2018-16-07	1,693	-	-
Highway Safety Program	20.601	K2-2014-07-09	-	-	-
Highway Safety Program-LEL	20.600	PT-2018-06-02	980	-	-
Highway Safety Program-LEL	20.600	PT-2017-06-09	2,068	-	-
Highway Safety Program	20.600	AL-2018-02-02	7,105	-	-
Highway Safety Program-DWI Task Force	20.600	AL-2019-02-07	88,031	-	-
Highway Safety Program	20.616	M5HVE-2018-15-07	23,180	-	-
<i>Total Highway Safety Cluster</i>			<u>124,100</u>	<u>-</u>	<u>-</u>
Public Transportation and Rail Division:					
Community Transportation Program - Administration	20.509	19-CT-049	136,166	8,510	-
Community Transportation Program - Capital	20.509	19-CT-049	-	354,477	-
FEMA - Hurricane Florence	20.527	19-FE-049	3,591	-	-
<i>Total U.S. Department of Transportation</i>			<u>449,857</u>	<u>362,987</u>	<u>-</u>
U.S. Department of Health and Human Services					
Passed Through N.C. Department of Health and Human Services:					
Division of Social Services:					
Temporary Assistance for Needy Families:					
TANF - Work First Administration	93.558	-	602,263	-	-
TANF - Work First Service	93.558	-	3,056,013	-	-
<i>Total Temporary Assistance for Needy Families:</i>			<u>3,658,276</u>	<u>-</u>	<u>-</u>
Adoption Fostercare	93.XXX	-	333,807	-	-
Family Preservation and Reunification	93.556	-	178,368	-	-
Child Support Enforcement IV-D Administration	93.563	-	5,444,095	-	-
Child Support Enforcement IV-D Incentive	93.563	-	471,028	-	-
Refugee Assistance Administration	93.566	-	-	-	-
Links	93.674	-	48,883	12,221	-
Independent Living Special Links Fund	93.674	-	21,539	-	-
Permanency Planning	93.645	-	143,617	-	-
Social Services Block Grant:					
SSBG - Adult Day Care	93.667	-	80,297	67,302	-
SSBG - In-Home Services	93.667	-	115,291	-	-
SSBG - Other Services and Training	93.667	-	2,478,070	-	-
SSBG - Adult Protective Services	93.667	-	29,257	-	-
<i>Low-Income Home Energy Assistance:</i>					
Low-Income Home Energy Assist. - Crisis Intervention	93.568	-	245,185	-	-
Low Income Home Energy Assistance	93.568	-	1,505,014	-	-
Low Income Home Energy Assistance - Administration	93.568	-	407,945	-	-
<i>Total Low-Income Home Energy Assistance</i>			<u>2,158,144</u>	<u>-</u>	<u>-</u>

GUILFORD COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS (CONTINUED)

FISCAL YEAR ENDED JUNE 30, 2019

Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	State/Pass-Through Grantor's Number	Expenditures		
			Federal	State	Passed Through to Subrecipients
FEDERAL AWARDS (Continued)					
U.S. Department of Health and Human Services (continued)					
Passed Through N.C. Department of Health and Human Services: (continued)					
Division of Social Services: (continued)					
<i>Foster Care and Adoption Cluster: (Note 3)</i>					
Foster Care Title IV-E	93.658	-	\$ 1,121,178	\$ 296,797	\$ -
Foster Care Title IV-E Maximization	93.658	-	800,584	210,371	-
Foster Care At Risk	N/A	-	9,311	-	-
Foster Care At Risk Maximization	N/A	-	-	29,354	-
Foster Care Title V-E Max Level III	93.658	-	25,493	-	-
Extended Foster Care Max Non IV-E	N/A	-	-	89,768	-
Foster Care Title IV-E Child Protective Services	93.658	-	216,948	939,971	-
Foster Care Title IV-E Administration County Paid to CCI	93.658	-	694,616	347,308	-
Foster Care HIV IV-E	N/A	-	6,228	3,029	-
Foster Care Title IV-E Training	93.658	-	1,559,388	-	-
Foster Care Title IV-E Administration	93.658	-	20,186	-	-
Adoption Assistance - IV-E Optional Adoption Training	93.659	-	278,782	-	-
Adoption Assistance - IVE	93.659	-	9,843	4,922	-
<i>Total Foster Care and Adoption Cluster</i>			<u>4,742,557</u>	<u>1,921,520</u>	<u>-</u>
<i>Special Children Adoption Fund Cluster: (Note 3)</i>					
TANF - Special Children Adoption Promotion	93.558	-	219,360	-	-
<i>Total Special Children Adoption Fund Cluster</i>			<u>219,360</u>	<u>-</u>	<u>-</u>
Administration:					
State Children's Health Insurance Program:					
N.C. Health Choice	93.767	-	307,240	-	-
<i>Total State Children's Insurance Program</i>			<u>307,240</u>	<u>-</u>	<u>-</u>
Medical Assistance Program:					
State County Special Assistance	93.778	-	92,427	-	-
Adult Care Home Case Management	93.778	-	142,491	31,338	-
Medical Assistance Administration	93.778	-	9,433,513	-	-
Medical Transportation Service	93.778	-	129	-	-
Medicaid Administrative Claiming	93.778	-	343,944	-	-
Division of Medical Assistance:					
Medicaid Transportation Reimbursement	93.778	-	91,357	44,514	-
<i>Total Medical Assistance Program</i>			<u>10,103,861</u>	<u>75,852</u>	<u>-</u>
<i>Subsidized Child Care Cluster (Note 3):</i>					
<i>Child Care Development Fund Cluster:</i>					
Division of Social Services:					
Child Care Development Fund - Administration	93.596	-	918,749	-	-
Division of Child Development:					
Child Care and Development Fund - Discretionary	93.575	-	35,493	-	-
Child Care and Development Fund - Mandatory	93.596	-	-	-	-
<i>Total Child Care Development Fund Cluster</i>			<u>954,242</u>	<u>-</u>	<u>-</u>
<i>Total Subsidized Child Care Cluster</i>			<u>954,242</u>	<u>-</u>	<u>-</u>
Division of Public Health:					
Maternal Child Health Block Grant:					
Child Health	93.994	12715745AR41,127157450041, 133253580041	543,322	129,202	-
Child Fatality	93.994	12715351AR41	4,357	-	-
Child Service Coordination	93.994	12715318AR41	178,731	-	-
Family Planning	93.994	13A15735AP41,13A16019FR41, 13A15735AR41,13A157350041	74,418	138,578	-
Maternal Health	93.994	13A15740AR41,13A15146AR41, 13A151070041,13A157400041	105,753	189,466	-

GUILFORD COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS (CONTINUED)

FISCAL YEAR ENDED JUNE 30, 2019

Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	State/Pass-Through Grantor's Number	Expenditures		Passed Through to Subrecipients
			Federal	State	
FEDERAL AWARDS (Continued)					
<u>U.S. Department of Health and Human Services (continued)</u>					
Passed Through N.C. Department of Health and Human Services: (continued)					
Division of Public Health:					
HHP and Public Health Emergency Preparedness	93.074	12642680EY41	\$ 73,333	\$ -	-
CDC Tuberculosis	93.116	1460272DNF41, 1460272ENF41	34,399	-	-
Prescription Drug Overdose Prevention	93.136	11755176AA41	49,832	-	-
Title X Family Planning	93.217	13A1592AFP41, 13A1592DFP41, 13A1592CFP41	95,911	-	-
Tobacco Prevention	93.305	1271341DST41	92,019	18,910	-
Antimicrobial-Resistant Gonorrhea	93.323	1175876EHJ41, 1175876DHJ41	405,342	-	-
Immunization Action Plan	93.539	1331631EEJ41	93,263	-	-
TANF - Family Planning	93.558	13A15151T241	68,644	-	-
Regugee Health Assessments	93.566	1370810D7J41, 1370810F7J41	20,121	-	-
Healthy Communities	93.758	126155030041, 12615503PH41	32,884	4,049	-
<i>HIV Cluster: (Note 3)</i>					
HIV Prevention Activities - Aid-To-County	93.940	1311981AHV41, 1311981BHV41,	28,115	-	-
HIV Prevention Activities - Jail Screening	93.940	131198AHV41, 131191BHV41	145,871	-	114,331
Gonorrhea Partner Services	93.977	1311462ENB41	4,993	-	-
HIV/STD Non-Traditional C/T	N/A	13114541RQ41, 13114541RR41	-	377,971	230,172
HIV/STD State	N/A	13114541RQ41, 13114541RR41	-	25,000	-
<i>Total HIV Cluster</i>			<u>178,979</u>	<u>402,971</u>	<u>344,503</u>
Division of Aging:					
Passed Through the Piedmont Triad Regional Council:					
<i>Aging Cluster:</i>					
Special Programs for the Aging:					
Title III-B, Supportive Services	93.044	-	477,586	28,053	153,577
Access	93.044	-	174,950	123,854	92,795
Title III-C-1, Congregate Meals	93.045	-	310,919	18,305	329,224
Title III-C-2, Home Delivered Meals	93.045	-	298,299	216,366	514,665
Nutrition Service Incentive Program	93.053	-	114,174	-	114,174
<i>Total Aging Cluster</i>			<u>1,375,928</u>	<u>386,578</u>	<u>1,204,435</u>
Total U.S. Department of Health and Human Services			<u>34,915,168</u>	<u>3,346,649</u>	<u>1,548,938</u>
<u>U.S. Department of Homeland Security</u>					
Passed Through N.C. Department of Public Safety:					
Emergency Management Disaster Exercises	97.067	EMW-2016-SS-00011-SO1-1604-22 EMW-2016-SS-00011-SO1-1604-32	56,400	-	-
Emergency Response Disaster Training Exercise	97.067	EMW-2015-SS-0062-S01-1504-37	9,250	-	-
Emergency Management Performance	97.042	EMPG-2017-17041	80,399	-	-
Total U.S. Department of Homeland Security			<u>146,049</u>	-	-
<u>Executive Office of the President</u>					
Direct Programs:					
Office of National Drug Control Policy: High Intensity Drug Trafficking Areas	95.001	-	117,739	-	-
Office of National Drug Control Policy: High Intensity Drug Trafficking Areas	95.001	-	51,701	-	-
Total Executive Office of the President			<u>169,440</u>	-	-
TOTAL FEDERAL AWARDS			<u>43,849,594</u>	<u>3,776,399</u>	<u>1,548,938</u>

GUILFORD COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS (CONTINUED)

FISCAL YEAR ENDED JUNE 30, 2019

Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	State/Pass-Through Grantor's Number	Expenditures		Passed Through to Subrecipients
			Federal	State	
STATE AWARDS					
<u>N.C. Department of Health and Human Services:</u>					
Division of Social Services:					
CWS Adoption Assistance	N/A	-	\$ -	\$ 2,601	\$ -
State Foster Home	N/A	-	-	344,773	-
State Foster Home - Maximization	N/A	-	-	618,726	-
Aid to Veterans Affairs	N/A	-	-	2,216	-
Collections Incentives/Program Integrity	N/A	-	-	117,413	-
Share the Warmth	N/A	-	-	8,680	-
Passed Through Sandhills Center for Mental Health:					
Single Stream Line Funding	N/A	536998 14225220003D	-	250,973	-
Division of Aging:					
Passed Through the Piedmont Triad Regional Council:					
In-Home Services	N/A	-	-	928,342	282,029
Caregiver Match	N/A	-	-	12,147	3,690
Division of Child Development:					
DCD Smart Start	N/A	-	-	90,859	-
Division of Public Health:					
General	N/A	116141100041	-	228,875	-
Communicable Disease	N/A	117545100041	-	14,625	-
Tuberculosis	N/A	146045510041	-	83,716	-
Maternal Health High Risk	N/A	13A157460041	-	26,704	-
STD Drugs	N/A	13114601RQ41, 13114601BN41	-	9,398	-
Passed Through N.C. Partnership for Children and Guilford County Partnership for Children:					
Smart Start Child Care Nurses	N/A	1718-3414/207	-	236,298	-
Smart Start Family Connects	N/A	1718-5413/235	-	421,668	-
N.C. Office of Minority Health and Health Disparities Development:					
Passed Through County of Alamance:					
Minority Diabetes Prevention Program	N/A	1262417900	-	14,562	-
Office of Public Health Nursing and Professional Development:					
Public Health Nurse Training	N/A	1161430100	-	4,800	-
Office of Rural Health and Community Care:					
Maternity Clinic	N/A	-	-	111,841	-
Division of Vocational Rehabilitation Services:					
Medical Evidence Fees	N/A	-	-	390	-
Total N.C. Department of Health and Human Services			-	3,529,607	285,719
<u>N.C. Department of Environmental Quality</u>					
Division of Environmental Health:					
Centralized Intern Training	N/A	215315310441	-	617	-
Food and Lodging	N/A	11534752SZ41	-	70,826	-
Division of Water Quality:					
Soil and Water Conservation	N/A	071563613	-	30,420	-
Division of Water Infrastructure:					
Interconnection and extension of water lines	N/A	SL2017-17GC	-	8,755	-
Division of Waste Management:					
Leaking Petroleum Underground Storage Tank Cleanup	N/A	-	-	15,000	-
Total N.C. Department of Environmental Quality			-	125,618	-

GUILFORD COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS (CONTINUED)

FISCAL YEAR ENDED JUNE 30, 2019

Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	State/Pass-Through Grantor's Number	Expenditures		
			Federal	State	Passed Through to Subrecipients
STATE AWARDS (Continued)					
<u>N.C. Department of Transportation</u>					
<i>Rural Operating Assistance Program (ROAP) Cluster: (Note 3)</i>					
Elderly and Handicapped Transportation (E&DTAP)	N/A	DOT-18CL	\$ -	\$ 205,099	\$ -
Rural General Public (RGP)	N/A	DOT-18CL	-	92,225	-
Work First Employment Transportation Assistance	N/A	DOT-18CL	-	115,131	-
<i>Total Rural Operating Assistance Program (ROAP) Cluster</i>			-	412,455	-
Total N.C. Department of Transportation			-	412,455	-
<u>N.C. Department of Public Safety</u>					
N.C. Local Reentry Council	N/A	IA RFP #: 19-013970-LTA	-	63,543	-
Juvenile Crime Prevention Council Programs	N/A	341-10097,341-10099,341-11431, 341-11524,341-11525,341-11606, 341-11939,341-12269, 341-12278, 341-22274,341-22799,341-22280, 341-22299,341-22306,341-22307, 341-22809,341-22312, 341-22314, 341-22768, 341-22320,341-22551	-	997,040	992,040
Total N.C. Department of Public Safety			-	1,060,583	992,040
<u>N.C. Department of Public Instruction</u>					
Public School Building Capital Fund - N.C. Education Lotte	N/A	-	-	4,750,000	-
Total N.C. Department of Public Instruction			-	4,750,000	-
TOTAL STATE AWARDS			-	9,878,263	1,277,759
TOTAL FEDERAL AND STATE AWARDS			\$ 43,849,594	\$ 13,654,662	\$ 2,826,697

GUILFORD COUNTY, NORTH CAROLINA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND
STATE FINANCIAL ASSISTANCE

FISCAL YEAR ENDED JUNE 30, 2019

Note 1—Basis of presentation

The accompanying Schedule of Expenditures of Federal and State Awards (“SEFSA”) includes the federal and State grant activity of Guilford County under the programs of the federal government and the state of North Carolina for the year ended June 30, 2019. The information in this SEFSA is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”) and the State Single Audit Implementation Act. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in, the preparation of the basic financial statements.

Note 2—Summary of significant accounting policies

Expenditures reported in the SEFSA are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Guilford County has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Note 3—Clusters of programs

The following clusters of programs are clustered by the North Carolina Department of Health and Human Services and are treated separately for State audit requirement purposes: Subsidized Child Care, Foster Care and Adoption, HIV, Rural Operating Assistance Program, and Special Children Adoption Fund.