

MIAMI-DADE COUNTY, FLORIDA

Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance, as restated

Year ended September 30, 2010

(1) General

The accompanying schedule of expenditures of federal awards and state financial assistance (the Schedule) presents the activity of all federal awards programs and state financial assistance projects of the General Government, Solid Waste Management, and Seaport (General Segment) operations of Miami-Dade County, Florida (the County) for the year ended September 30, 2010. Federal awards programs and state financial assistance projects received directly, as well as passed through other government agencies, are included on the Schedule. The Schedule does not include the Miami-Dade Aviation Department; Miami-Dade Transit; the Public Health Trust of Miami-Dade County; and Miami-Dade Housing Agency; and Miami-Dade Water and Sewer Department.

(2) Basis of Presentation

The Schedule includes the federal and state grant activity of certain funds and departments of the County and is presented on the accrual basis of accounting. Under the accrual basis, expenditures are recognized in the period liabilities are incurred. The information in this Schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and Chapter 215.97, *Florida Statutes*. Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

The County records financial transactions for grants in numerous individual funds. The accompanying grant financial activity represents expenditures recorded by the County during the year ended September 30, 2010 and accordingly does not include a full year's financial activity for grants awarded or terminated on dates not coinciding with the County's fiscal year. Unless otherwise noted, negative expenditures reflected within a specific grant financial statement represent a reallocation of financial transactions with similar grants from the same respective grantor agency.

The majority of grant awards administered by the County are operated on a reimbursement basis. Various reimbursement procedures are used for such funds. Consequently, timing differences between expenditures and program reimbursement exist.

Several programs are funded jointly by county, state, and federal funds. Costs incurred in such programs are applied against federal grant funds to the extent of grant award provisions and against state and county funds for the balance.

(3) Program Clusters

OMB Circular A-133 defines a cluster of programs as a grouping of closely related programs that share common compliance requirements. According to this definition, similar programs deemed to be a cluster of programs are tested accordingly.

(4) Disaster Grants – Public Assistance

The County experienced various disasters, which include: Hurricane Irene (1999), the No Name Storm (2000), Hurricanes Charley, Frances, and Jeanne (2004), Hurricanes Katrina and Rita (2005), and Wilma (2006). Cost of repairs, renovation, and cleanup continue to be reimbursed through Federal Emergency Management Agency (FEMA) and state grants, insurance proceeds, and general fund appropriations.

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For the year ended September 30, 2010, expenditures were reported for items covered by FEMA, state, and local funds. The information reflected for the FEMA grant (grant award, expenditures, and receipts) relates to approved project worksheets.

The FEMA Office of the Inspector General may conduct audits of certain hurricane-related expenditures within three years of closing the project. However, it is management's opinion that no material liabilities will result from any potential audits.

(5) Subrecipients

Certain program funds are passed through the County to subrecipient organizations. The Schedule does not contain separate statements disclosing how the subrecipients outside of the County's control utilized these funds.

(6) Outstanding Loans

The Community Development Block Grant (CFDA No. 14.218), the HOME Investment Partnerships Program (CFDA No. 14.239), and the State Housing Initiatives Partnership Program (CSFA No. 52.901) processed loans under the grant programs. New loans made during the year ended September 30, 2010 are included as expenditures in the schedule of federal awards and state financial assistance. The outstanding loan balances at September 30, 2010 were \$25,088,338, \$85,930,990, and \$91,869,695, respectively.

(7) Contingency

The grant revenue amounts received are subject to audit and adjustment. If any expenditures or expenses are disallowed by the grantor agencies as a result of such an audit, any claim for reimbursement to the grantor agencies would become a liability to the County. In the opinion of management, no material liabilities will result from any such audits.

(8) Restatement

During fiscal year 2011, the County determined that certain State grants were not included on the September 30, 2010 Schedule of Expenditures of Federal Awards and State Financial Assistance. Accordingly, the County determined that a restatement of the Schedule of Expenditures of Federal Awards and State Financial Assistance to include the following items below was appropriate:

<u>CSFA No.</u>	<u>Name</u>	<u>Amount</u>
55.023	State Highway Project Reimbursement	\$ 6,455
55.026	Transportation Regional Incentive Program (TRIP)	6,853,833
71.006	Victim or Witness Assistance	20,103
76.041	Florida Arts License Plates Projects	31,363
	Total	\$ <u>6,911,754</u>

As a result of these corrections, total expenditures increased by \$6,911,754 from those previously reported.

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 Schedule of Findings and Questioned Costs, as restated
 Year ended September 30, 2010

Section I -- Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	Unqualified		
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?	_____ X _____	Yes	_____ No
• Significant deficiency(ies) identified that are not considered to be material weaknesses?	_____	Yes	_____ X _____ None reported
Any audit findings disclosed that are required to be reported in accordance with Section 510(a) OMB Circular A-133?	_____ X _____	Yes	_____ No

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Identification of major programs and type of auditors' report issued on compliance for major programs:

Federal programs	CFDA No.	Opinion type
U.S. Department of Agriculture: Child and Adult Care Food Program	10.558	Unqualified
U.S. Department of Commerce: Public Interoperable Communications Grant Program	11.555	Unqualified
U.S. Department of Housing and Urban Development: Community Development Block Grants (CDBG) Entitlement Grants Cluster:		
Community Development Block Grant/Entitlement Grants	14.218	Qualified
ARRA – CDBG Neighbor Stabilization	14.218	Qualified
CDBG – State Administered Small Cities Program Cluster:		
Community Development Block Grants/States Program	14.228	Unqualified
Supportive Housing Program	14.235	Unqualified
HOME Investment Partnerships Program	14.239	Unqualified
Empowerment Zones Program	14.244	Unqualified
ARRA – Homeless Prevention and Rapid Re-Housing Program (Recovery Act Funded)	14.257	Unqualified
U.S. Department of Transportation: Highway Planning and Construction Cluster:		
Highway Planning and Construction	20.205	Qualified
ARRA – Highway Planning and Construction	20.205	Qualified
National Endowment for the Humanities:		
Promotion of the Arts Grants to Organizations and Individuals	45.024	Unqualified
ARRA – Promotion of the Arts Grants to Organizations and Individuals	45.024	Unqualified
Environmental Protection Agency: ARRA – National Clean Diesel Emissions Reduction Program	66.039	Unqualified
U.S. Department of Energy: ARRA – Energy Efficiency and Conservation Block Grant Program (EECBG)	81.128	Qualified
U.S. Department of Education: ARRA – State Fiscal Stabilization Fund – Government Services Recovery Act	84.397	Unqualified
U.S. Department of Health and Human Services: Aging Grant Cluster:		
Special Programs for the Aging, Title III, Part B Grants for Supportive Services and Senior Centers	93.044	Unqualified
Special Programs for the Aging, Title III, Part C Nutrition Services	93.045	Unqualified
ARRA – Aging Home-Delivered Nutrition Services for States	93.705	Unqualified
ARRA – Aging Congregate Nutrition Services for States	93.707	Unqualified
Temporary Assistance for Needy Families (TANF) Cluster:		
Temporary Assistance for Needy Families	93.558	Qualified
ARRA – Emergency Contingency Fund for TANF	93.714	Qualified
Refugee and Entrant Assistance State Administered Program	93.566	Unqualified

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Federal programs	CFDA No.	Opinion type
Community Service Block Grant Cluster:		
Community Service Block Grants	93.569	Unqualified
ARRA – Community Services Block Grant	93.710	Unqualified
Child Care Development Fund Cluster:		
Child Care and Development Block Grant	93.575	Unqualified
ARRA – Child Care and Development Block Grant	93.575	Unqualified
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	Unqualified
Head Start Cluster:		
Head Start Grant	93.600	Qualified
ARRA – Head Start	93.708	Qualified
ARRA – Early Head Start	93.709	Qualified
U.S. Department of Homeland Security:		
National Urban Search & Rescue (US&R) Response System	97.025	Unqualified
Homeland Security Grant Cluster:		
Homeland Security Grant Program	97.067	Unqualified

Dollar threshold used to distinguish between type A and type B programs: \$3,000,000

Auditee qualifies as low-risk auditee: _____ Yes _____ No _____ X

State Financial Assistance

Internal control over major projects:

- Material weakness(es) identified? _____ X _____ Yes _____ No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? _____ Yes _____ X _____ None reported

Any audit findings disclosed that are required to be reported in accordance with Chapter 10.550, *Rules of the Auditor General*? _____ X _____ Yes _____ No

Identification of major projects and type of auditors' report issued on compliance:

State projects	CSFA No.	Opinion type
Florida Department of State:		
State Housing Initiatives Partnership (SHIP) Program	52.901	Qualified
Intermodal Development Program	55.014	Unqualified
Transportation Regional Incentive Program (TRIP)	55.026	Unqualified
E911 State Grant Program	72.002	Unqualified
Voluntary Pre-Kindergarten Program	75.007	Qualified

Dollar threshold used to distinguish between type A and B projects: \$2,666,893

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Section II – Financial Statement Findings

2010-01 Capital Assets (updated and formerly, 2009-01)

Condition Found

During our testwork of capital assets, we noted that the County recorded approximately \$318 million of additions and approximately \$72 million of deletions and transfers to the capital assets accounts for the governmental activities. The accumulation and review of this information appeared to be a manual and time-consuming process. Because of the manual process, errors occur in the recorded balance at the government-wide level.

Questioned Costs

None

Perspective

The finding is considered systemic in nature.

Cause

The County did not have adequate procedures in place to ensure that capital asset additions, deletions, and transfers were properly and timely recorded.

Effect

The failure to properly record capital asset additions, deletions, and transfers on a timely basis could result in error in financial reporting.

Recommendation

We recommend that management enhance its current processes to accumulate and record capital assets additions, deletions, and transfers for governmental activities to streamline or automate the processes in order to report such transactions in a more timely and accurate manner.

Furthermore, the capital assets records should be thoroughly reviewed by the appropriate finance department personnel for accuracy and completeness.

Management's Response

Management concurs with the recommendations and will review the current process to enhance and streamline as possible. While improvements can be made, the process will continue to be mostly manual until a new integrated financial system is implemented countywide.

Governmental capital assets include land; furniture, and equipment over \$5,000 (including motor vehicles, computer, communication and voting equipment and others); building improvements over \$100,000 and infrastructure (roads, sidewalks, guardrails, etc.); totaling over \$4.1 billion as of September 30, 2010. During the year, an accountant 2 has to research over 16,000 capital related transactions to determine if they meet the capitalization threshold, as well as confirm with

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the Clerk of Court's and Property Appraiser's records and various other departments to complete the research and summarization needed to report in the County's financial statements.

Additional staffing has been provided to address the vast work load related with the review and research of capital asset transactions. The revised process will include a thorough review by supervisory personnel for accuracy and completeness. These are small enhancements until improved automation is available.

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Section III – Federal Award Program Findings and Questioned Costs

2010-02

Federal Program

Community Development Block Grants (CDBG) Entitlement Grants Cluster: Community Development Block Grant/Entitlement Grants, CFDA No. 14.218, Award Nos. B-98-UC-12-0006, B-02-UC-12-0006, B-06-UC-12-0006, B-07-UC-12-0006, B-08-UC-12-0006, B-09-UC-12-0006, B-10-UC-12-0006, and B-08-UN-12-0004-NSP; and ARRA – CDBG Neighborhood Stabilization, CFDA No. 14.218, Award No. B-09-UY-12-0006.

Federal Agency

U.S. Department of Housing and Urban Development (HUD)

Pass-Through Entity

None

Criteria – Activities Allowed or Unallowed

OMB Circular A-87 requires recipients of federal awards to maintain effective control and accountability for all grants. Specifically, Title 7, Part 3016, Section 3016.20a(2) of the Code of Federal Regulations (CFR) provides that fiscal and accounting procedures of the grantee must be sufficient to permit the tracing of funds to a level of expenditures adequate to establish that such funds have not been used in violation of the restrictions and prohibitions of applicable statutes.

Condition Found

The Office of Inspector General (OIG) of U.S. HUD completed an audit of the County's Community Development Block Grant (CDBG), in June 2009, in which it noted that the County did not administer its CDBG program in accordance with applicable HUD requirements. The CDBG program did not comply with HUD requirements meeting its national objectives and performance goals, and failed to recapture CDBG funds for canceled activities that did not meet a national objective. As a result, it had no assurance that more than \$4.6 million (later reduced to \$3.6 million) in expended CDBG funds achieved the intended national objective or met program requirement. The County also did not adequately report CDBG financial and program information to HUD in accordance with federal requirements.

Questioned Costs

\$3,600,000

Perspective

The finding is considered systematic in nature.

Cause

The County did not have proper policies and procedures in place to ensure that its CDBG program is administered in accordance with applicable HUD requirements.

Effect

Noncompliance with applicable HUD requirements could lead to disallowance of costs and jeopardize future federal funding.

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Recommendation

We recommend the County enhance its internal controls and processes to ensure that the CDBG program is administered in accordance with applicable federal requirements.

Management's Response

Based on the results of the audit, the Department of Housing and Community Development's (DHCD) detailed assessment of reporting requirements and discussions with U.S. HUD's Miami office, DHCD took the necessary steps to improve the oversight and administration of the CDBG program to include the following:

- Ensure that projects awarded federal funds are eligible for funding and that receiving agencies have the capacity to meet the stipulated national objectives and performance goals.
- Revised the progress report format and review procedures. This includes a checklist that staff must complete to confirm the review of the progress reports and identifies items the implementing agencies must include with each report to confirm the completion of the projects and the achievement of proposed national objectives.
- Provide a higher level of technical assistance to agencies regarding the proper documentation needed to demonstrate achievement of the national objectives and performance goals.
- Promptly suspend payments to those agencies that do not comply with reporting requirements per U.S. HUD rules and regulations.
- Provide ongoing training to DHCD staff on U.S. HUD rules and regulations, data collection, reporting, and monitoring practices.

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2010-03

Federal Program

Community Development Block Grants (CDBG) Entitlement Grants Cluster: Community Development Block Grant/ Entitlement Grants, CFDA No. 14.218, Award Nos. B-98-UC-12-0006, B-02-UC-12-0006, B-06-UC-12-0006, B-07-UC-12-0006, B-08-UC-12-0006, B-09-UC-12-0006, B-10-UC-12-0006, and B-08-UN-12-0004-NSP; and ARRA – CDBG Neighborhood Stabilization, CFDA No. 14.218, Award No. B-09-UY-12-0006.

Federal Agency

U.S. Department of Housing and Urban Development (HUD)

Pass-through Entity

None

Criteria – Procurement

Per ARRA Title XVI, Section 1605, infrastructure projects involving construction, alteration, maintenance or repair of public buildings or public works must be accomplished using iron, steel, and manufactured goods produced in the United States. Further, the County established a written requirement whereby the Department would receive a Buy America certificate as evidence of compliance.

Condition Found

During our testing of expenditures, we noted that in the one (1) instance tested of purchases of steel, iron, manufactured products, and parts, using ARRA funds, the Buy America certificate was not received by the Department until May 2011.

Questioned Costs

None

Perspective

The finding is considered systematic in nature.

Cause

There was no monitoring control to ensure that certifications are received from vendors on a timely basis.

Effect

Failure to properly monitor vendor compliance could lead to disallowed costs.

Recommendation

The County should enhance its monitoring controls related to its written requirements to ensure that they are adhered to in a timely manner.

Management's Response

Management concurs with the recommendation. The Public Works Department (PWD) has developed a certification for execution by contractors to confirm compliance with the Buy America provisions of ARRA. The form is being sent to all contractors involved in ARRA funded projects and is required to be received by PWD prior to the end of the fiscal year. Once

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the executed form and any accompanying documents are received and accepted by PWD, they will be made part of the official contract record.

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2010-04

Federal Program

Community Development Block Grant/ States Program; CFDA No. 14.228, Award Nos. 07-DB-3V-23-01-Z06 and 08-DB-D3-11-23-01-A01.

Federal Agency

U.S. Department of Housing and Urban Development (HUD)

Pass-Through Entity

State of Florida – Department of Community Affairs (DCA)

Criteria – Reporting

The County must submit a Disaster Quarterly Status Report to DCA fifteen (15) days after the end of the quarter on the report form provided by DCA: April 15, July 15, October 15, and January 15.

Condition Found

During our testwork, we noted one (1) instance out of six (6) tested where the Disaster Quarterly Status Report was not filed in a timely manner.

Questioned Costs

None

Perspective

The finding is considered systematic in nature.

Cause

The County did not have proper policies and procedures in place to ensure the timely filing of required reports.

Effect

Untimely filings of required reports could result in withholding of grant funds or other forms of penalty for noncompliance.

Recommendation

The County should enhance its process and ensure personnel are aware of reporting requirements and due dates.

Management's Response

Management concurs with the recommendation. DHCD has strengthened its procedures to ensure timely filing of the Disaster Quarterly Status Report.

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2010-05

Federal Program

Supportive Housing Program; CFDA No. 14.235, Award Nos. FL 14B000014, FL 14B100001, FL 14B300011, FL 14B96-0001 thru 0018, FL14B4, FL14B5, FL4B6, FL4B7, FL14B800001 and FL14B9.

Federal Agency

U.S. Department of Housing and Urban Development (HUD)

Pass-Through Entity

None

Criteria – Reporting

24 CFR Section 583.300(g) requires that the HUD-40118, Annual Progress Report (APR) be filed from each grantee 90 days after the end of each operating year. Each recipient of assistance under the program must keep any records and file any reports that HUD may require within the required timeframe.

Condition Found

Subrecipients are required to submit the APR in order for the County to include them in their APR to HUD. We found that in 6 out of 40 subrecipients tested, the required APR was not submitted to the County and as a result was not submitted by the County to HUD within the required timeframe. We further found that in 11 out of 40 subrecipients tested, the required APR was submitted late to the County, and as a result, it was also not submitted to HUD within the required timeframe.

Questioned Costs

None

Perspective

This finding is considered systemic in nature.

Cause

The County did not enforce its stated policies related to the submission of the APR.

Effect

Failure to obtain the APR from the subrecipients on a timely basis and then file the APR with HUD could result in the noncompliance by the County.

Recommendation

The County should ensure that the required Annual Progress Report is submitted by those service providers for approval by the County on a timely basis. The County should impose a due date for the reimbursements APR to be submitted. Any delays in submission of such APR should be followed up.

Management's Response

Management concurs with the recommendation. To ensure that subrecipients adhere to the timely submission of the APR to the Miami-Dade County Homeless Trust (Trust) for submission to U.S. HUD within the established 90-day requirement, the Trust implemented a procedure by

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which the scoring of funding applications incorporates a criteria whereby points are deducted from applications submitted by agencies who have not submitted the APR in a timely manner. In addition, service providers who do not submit the APR by the required date are contacted by Trust personnel.

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2010-06

Federal Program

Empowerment Zones Program; CFDA No. 14.244, Award No. EZ-99-FL-0003

Federal Agency

U.S. Department of Housing and Urban Development (HUD)

Pass-Through Entity

None

Criteria – Subrecipient Monitoring

Grantees are required to ensure that all subrecipient entities that expend \$500,000 or more of federal funds in a year are required to obtain an annual audit in accordance with the Single Audit Act Amendments of 1996, OMB Circular A-133, the OMB Circular Compliance Supplement and Government Auditing Standards and submit to the Federal Audit Clearinghouse on a timely basis.

Condition Found

During our testwork, we noted one (1) of twenty-four (24) instances where we could not verify through the Federal Clearinghouse Web site that the subrecipient submitted their Single Audit Report on a timely basis.

Questioned Costs

None

Perspective

This finding is considered systemic in nature.

Cause

The County did not have proper policies and procedures in place to ensure the timely filing of their subrecipients' Single Audit Reports was documented within their files.

Effect

Lack of adequate oversight of the subrecipients could lead to a discontinuance of drawdowns or termination from the program for lack of compliance with subrecipients' monitoring requirements.

Recommendation

The County should enhance its process and ensure that filing requirements of the subrecipients are followed and documented.

Management's Response

Management concurs with the recommendation. DHCD staff has notified the subrecipient agencies as to the requirements of filing their OMB Circular A-133 Single Audit Report timely.

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2010-07

Federal Program

Highway Planning and Construction Grant Cluster; CFDA No. 20.205; Award Nos. AO369, AOW70, AP919, APL85, APN79, A5117, AOC24/AOC13, AOL72/AOL73, A0547, 416-660-1(A0539), 418-337-1, AP149, AP377, APV32, APF40, ANW46, A5117, APK32, APK20, APK21, APK23, APL40, APL35, APL36, APL38, APL39, APL03, APL04, APL37, APL64, APL74, APL65, APM57, APM58, APN47, APN48, APN49, APN50, APN51, APN67, APN68, APN21, APN22, APN23, APN25, APN26, APN27, APN29, APN31, APN32, APO64, APR23, APR25, and APR29.

Federal Agency

U.S. Department of Transportation

Pass-Through Entity

Florida Department of Transportation

Criteria – Reporting

The reporting requirements for federal awards require the applicable reports include all activity of the reporting period, be supported by applicable records, be fairly represented in accordance with program requirements, and be submitted on a timely manner. The agreement between Miami-Dade County and the State of Florida requires the monthly reports be filed within 10 days after the close of the month in which the activity was incurred.

Condition Found

During our testing of reporting, we noted eighteen (18) instances out of forty (40) tested, where monthly reports were not filed in a timely manner.

Questioned Costs

Unknown

Perspective

The finding is considered systematic in nature.

Cause

Internal controls did not appear to be functioning effectively to ensure monthly reports are filed timely.

Effect

Untimely filings of monthly reports could lead to a disallowance of costs and/or termination from the program for lack of compliance with reporting requirements.

Recommendation

We recommend that the County enhance its current internal control procedures to ensure reports are submitted by the required deadline.

Management's Response

Management concurs with the recommendation and will further enhance its internal controls over reporting requirements. The Public Works Department will immediately notify Contractors in writing that an evaluation form will be completed each time a Monthly Employment Report

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(MER) is not received by the 5th of the month as required in the contract indicating lack of compliance with contract requirements. Such evaluations will be filed in the Office of Capital Improvements (OCI) system as part of their contract performance, which are reviewed and taken into consideration each time the department recommends contract awards.

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2010-08

Federal Program

ARRA – Energy Efficiency and Conservation Block Grant Program (EECBG); CFDA No. 81.128; Award No. DE-EE-000079.

Federal Agency

U.S. Department of Energy

Pass-Through Entity

None

Criteria – Activities Allowed or Unallowed

OMB Circular A-87 requires recipients of federal awards to maintain effective controls over the recording of costs related to a federal program.

Condition Found

During our testwork of forty (40) nonpayroll expenditures totaling \$1,780,896, we noted two (2) instances where the expenditures were recorded to the wrong index code. That is, project expenditures belonging to another program were erroneously recorded to this grant.

Questioned Costs

\$2,423

Perspective

The finding is considered systemic in nature.

Cause

The County did not maintain effective internal controls in place to ensure that only expenditures relating to this program are recorded in the index code and submitted for reimbursement.

Effect

The County is not in compliance with the rules of the respective OMB Circulars with respect to maintaining effective controls over the recording of costs related to the program.

Recommendation

We recommend that the County enhance its internal control procedures to ensure that all journal entries that are posted to the program's index code by other departments are properly recorded prior to submitting a request for reimbursement.

Management's Response

Management concurs with the recommendation. The Office of Sustainability (OOS), the administering department, has internal control procedures in place. Review of expenditures charged to project index codes are performed on a timely basis and the department responsible is notified of any errors. Procedures have been enhanced to ensure that the responsible department makes corrections on a timely basis.

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2010-09

Federal Program

Aging Grant Cluster: Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers, CFDA No. 93.044; Special Programs for the Aging Title III, Part C, Nutrition Services, CFDA No. 93.045; ARRA – Aging Home-Delivered Nutrition Services for States, CFDA No. 93.705; and ARRA – Aging Congregate Nutrition Services for States, CFDA No. 93.707; Award Nos. AA-917, AA-918, AA-1017A, AA-918-A, AA-1018, AA-1018A, and AA-1017.

Federal Agency

U.S. Department of Health and Human Services

Pass-Through Entity

Alliance on Aging, Inc.

Criteria – Reporting

The reporting requirements for federal awards require the applicable reports include all activity of the reporting period, be supported by applicable records, be fairly represented in accordance with program requirements, and be submitted on a timely manner. The agreement between Miami-Dade County and the Alliance for Aging, Inc. requires claims for reimbursements to be filed within five (5) working days after the close of the month in which the activity occurred.

Condition Found

During our testing of reporting, we noted ten (10) instances out of twenty-four (24) tested, where the monthly reimbursements reports were not filed in a timely manner.

Questioned Costs

Unknown

Perspective

The finding is considered systemic in nature.

Cause

Internal controls do not appear to be functioning effectively to ensure monthly reports are filed timely.

Effect

Untimely filings of monthly reports could lead to a disallowance of costs and/or termination from the program for lack of compliance with reporting requirements.

Recommendation

We recommend that the County enhance its internal control procedures to ensure reports are submitted by the required deadline.

Management's Response

Management concurs with the recommendation. The assigned employee responsible for the monthly reimbursement reports was on an unplanned leave and remaining support staff made every attempt to file on a timely basis. The internal control procedures have been reviewed with

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all staff to ensure that in unplanned absences, the assignments are covered and all reports are filed by the required deadline.

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2010-10

Federal Program

Temporary Assistance for Needy Families (TANF) Cluster: Temporary Assistance for Needy Families, CFDA No. 93.558, Award Nos. C07-106, C08-114, C09-113, C09-105, C10-102, C10-110, C10-104, 09-2222, and 11-2222; and ARRA – Emergency Contingency Fund for Temp. Assistance for Needy Families, CFDA No. 93.714, Award No. ARRA-SE-PY09-994-00.

Federal Agency

U.S. Department of Health and Human Services

Pass-Through Entity

Florida Coalition Against Domestic Violence (FCADV), Early Learning Coalition of Miami-Dade/Monroe County, Inc.; South Florida Workforce

Criteria – Eligibility

In accordance with the grant agreement, the grantee shall maintain a case file that includes documentation of the individual's eligibility.

Condition Found

During our testwork of eligibility, we selected forty (40) individuals who participated under the Award #09-2222/10-2222 and #11-2222. However, we were unable to verify their eligibility because we were not granted access to the participant files.

Questioned Costs

Unknown

Perspective

The finding is considered systemic in nature.

Cause

The department did not grant access to the participant's eligibility files.

Effect

We were unable to verify whether the grantee was in compliance with the eligibility compliance requirements.

Recommendation

We recommend that the department maintain and provide documentation that all eligible participants were served in accordance with the requirements of the grant agreement.

Management's Response

Florida Statutes 39.908 regarding confidentiality of information related to domestic violence centers does not permit the release of client information or location of domestic violence shelters. The grantor agency, Florida Coalition Against Domestic Violence (FCADV) regularly monitors client eligibility files in accordance with the contract's requirement.

MIAMI-DADE COUNTY, FLORIDA

Schedule of Findings and Questioned Costs, as restated

Year ended September 30, 2010

2010-11

Federal Program

Refugee & Entrant Assistance State Administered Program, CFDA No. 93.566; Award Nos. C09-118, C08-120, and LK869

Federal Agency

U.S. Department of Health and Human Services

Pass-Through Entity

Early Learning Coalition of Miami-Dade/Monroe County, Inc.; Florida Department of Children and Families

Criteria – Reporting

In accordance with the contract agreement, Miami-Dade County shall submit the “Narrative Report” for contracts receiving Social Services Grant funding, every four months. Due dates of reports are February 10, 2010; June 20, 2010; and October 2, 2010.

Condition Found

During our testwork, we noted one (1) of three (3) instances where the report was not filed in a timely manner.

Questioned Costs

None

Perspective

The finding is considered systemic in nature.

Cause

The County did not have the proper policies and procedures in place to ensure the timely filing of required reports.

Effect

Untimely filings of required reports could result in withholding of grant funds or other penalties for noncompliance.

Recommendation

The County should enhance its process and ensure personnel are aware of reporting requirements and due dates.

Management’s Response

Management concurs with the recommendation. The assigned employee responsible for the Narrative Report was on an unplanned leave and remaining support staff made every attempt to file on a timely basis. The internal control procedures have been reviewed with all staff to ensure that in the event of unplanned absences, the assignments are covered and all reports are filed by the required deadline.

MIAMI-DADE COUNTY, FLORIDA

Schedule of Findings and Questioned Costs, as restated

Year ended September 30, 2010

2010-12

Federal Program

Head Start Cluster: Head Start Program, CFDA No. 93.600, Award Nos. 04 CH0119/43, 04 CH0119/44 and 04 CH0119/45; ARRA – Head Start CFDA No. 93.708, Award Nos. 04SE011901 and 04SH011901; and ARRA – Early Head Start CFDA No. 93.709, Award No. 04-SA0119/01.

Federal Agency

U.S. Department of Health and Human Services

Pass-Through Entity

Early Learning Coalition of Miami-Dade/Monroe County, Inc.

Criteria – Reporting

In accordance with OMB Circular A-102, *Grants and Cooperative Agreement with State and Local Governments*, Section 3, After-the-Grant Policies, the required reports for federal awards shall include all activity of the reporting period, be supported by applicable records, be presented in accordance with program requirements, and be submitted on a timely basis.

Condition Found

During our testwork, we noted one (1) of three (3) instances where the semiannual and final Form SF 269 Financial Status Report was not filed in a timely manner.

Questioned Costs

None

Perspective

The finding is considered systemic in nature.

Cause

The County did not have proper policies and procedures in place to ensure the timely filing of required reports.

Effect

Untimely filing of monthly reports could lead to a discontinuance of drawdowns or termination from the program for lack of compliance with reporting requirements.

Recommendation

The County should enhance its process and ensure personnel are aware of reporting requirements and due dates.

Management's Response

Management concurs with the recommendation. CAA's Fiscal Management Division has revised and implemented internal controls and processes to ensure timely submission of all required reports.

MIAMI-DADE COUNTY, FLORIDA

Schedule of Findings and Questioned Costs, as restated

Year ended September 30, 2010

2010-13

Federal Program

Head Start Cluster: Head Start Program, CFDA No. 93.600, Award Nos. 04 CH0119/43, 04 CH0119/44 and 04 CH0119/45; ARRA – Head Start CFDA No. 93.708, Award Nos. 04SE011901 and 04SH011901; and ARRA – Early Head Start CFDA No. 93.709, Award No. 04-SA0119/01.

Federal Agency

U.S. Department of Health and Human Services

Pass-Through Entity

Early Learning Coalition of Miami-Dade/Monroe County, Inc.

Criteria – Reporting

In accordance with OMB Circular A-102, *Grants and Cooperative Agreement with State and Local Governments*, Section 3, After-the-Grant Policies, the required reports for federal awards shall include all activity of the reporting period, be supported by applicable records, be presented in accordance with program requirements, and be submitted on a timely basis.

Condition Found

During our testwork, we noted one (1) of four (4) instances where the Quarterly SF 425 Federal Financial Report was not filed.

Questioned Costs

None

Perspective

The finding is considered systemic in nature.

Cause

The County did not have proper policies and procedures in place to ensure the timely filing of required reports.

Effect

Missing filings of required reports could lead to a discontinuance of drawdowns or termination from the program for lack of compliance with reporting requirements.

Recommendation

The County should enhance its process and ensure personnel are aware of reporting requirements and due dates.

Management's Response

Management concurs with the recommendation. CAA's Fiscal Management Division has revised and implemented internal controls and processes to ensure timely submission of all required reports.

MIAMI-DADE COUNTY, FLORIDA

Schedule of Findings and Questioned Costs, as restated

Year ended September 30, 2010

2010-14

Federal Program

Head Start Cluster: Head Start Program, CFDA No. 93.600, Award Nos. 04 CH0119/43, 04 CH0119/44 and 04 CH0119/45; ARRA – Head Start CFDA No. 93.708, Award Nos. 04SE011901 and 04SH011901; and ARRA – Early Head Start CFDA No. 93.709, Award No. 04-SA0119/01.

Federal Agency

U.S. Department of Health and Human Services

Pass-Through Entity

Early Learning Coalition of Miami-Dade/Monroe County, Inc.

Criteria – Subrecipient Monitoring

All entities that expend \$500,000 or more of federal funds in a year are required to obtain an annual audit in accordance with the Single Audit Act Amendments of 1996, OMB Circular A-133, the OMB Circular Compliance Supplement and Government Auditing Standards and submit to the Federal Audit Clearinghouse on a timely basis.

Condition Found

During our testwork, we noted three (3) of fourteen (14) instances where we could not verify through the Federal Clearinghouse Web site that the subrecipient submitted their OMB Circular A-133 Single Audit Report on a timely basis.

Questioned Costs

None

Perspective

This finding is considered systemic in nature.

Cause

The County did not have proper policies and procedures in place to ensure the timely filing of their subrecipients' Single Audit Reports was documented within their files.

Effect

Lack of adequate oversight of the subrecipients could lead to a discontinuance of drawdowns or termination from the Program for lack of compliance with subrecipient monitoring requirements.

Recommendation

The County should enhance its process and ensure that filing requirements of the subrecipients are followed and documented.

Management's Response

Management concurs with the recommendation. The Department has enhanced its monitoring of all grant requirements to ensure compliance by the grantee as well as subrecipients to include the timely submission of single audit reports to the Federal Audit Clearing House.

MIAMI-DADE COUNTY, FLORIDA

Schedule of Findings and Questioned Costs, as restated

Year ended September 30, 2010

2010-15

State Program

State Housing Initiatives Partnership Program; CSFA No. 52.901

State Agency

Florida Housing Finance Corporation (FHFC)

Pass-Through Entity

None

Criteria – Period of Availability

The County is required to maintain effective controls over the disbursement of funds to ensure that the grant complies with the expenditure deadline requirements. The SHIP legislative authority Chapter 420, Part VII, Florida Statutes and Rule Chapter 67-37, Florida Administrative Code states that the County shall have a plan to encumber local housing distribution funds deposited into the local housing assistance trust fund for each State fiscal year by June 30 one year following the end of the applicable State fiscal year and to be expended within 24 months thereafter.

Condition Found

We noted the County had an unencumbered balance of \$2,080,290 for SHIP 2009 funds. Therefore, it is not in compliance with the State fiscal year end June 30, 2010 deadline for encumbrance of funds for SHIP 2009 funds.

Questioned Costs

None

Perspective

The finding is considered systemic in nature.

Cause

The County did not appear to have a proper plan in place to comply with the encumbrance deadline.

Effect

The County is not in compliance with the requirements of the Florida Statutes with regards to having a plan in place to encumber local housing distribution funds deposited into the local housing trust fund for each State fiscal year by June 30 one year following the end of the applicable State fiscal year.

Recommendation

We recommend that the County enhance its efforts to ensure that all funds are encumbered by the deadline to ensure compliance with Florida Statutes.

Management's Response

Management concurs with the recommendation. The Department of Housing and Community Development (DHCD) apprised the State in a letter dated September 13, 2010 that approximately \$2 million in 2009 SHIP funds were not encumbered by the June 2010 deadline. To date all

MIAMI-DADE COUNTY, FLORIDA
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Year ended September 30, 2010

funds have been expended. DHCD has implemented control measures to comply with future encumbrance deadlines.

MIAMI-DADE COUNTY, FLORIDA

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Year ended September 30, 2010

2010-16

State Program

Voluntary Pre-Kindergarten Program; CSFA No. 75.007, Award Nos. C08-113, C09-114, and C10-103

State Agency

Agency for Workforce Innovation

Pass-Through Entity

Early Learning Coalition of Miami-Dade/Monroe County, Inc.

Criteria – Equipment and Real Property Management

Florida Statutes Chapter 274-series and the terms and provisions of the grant agreement provide requirements for implementing and assessing the VPK program, including requirements related to equipment and real property management. The grant agreement requires that the records shall include, at a minimum, the following information: property tag identification number description of the item(s); physical location; name, make, or manufacturer; year and/or model; manufacturer's serial number(s); date of acquisition and the current condition of the item.

Condition Found

We noted that Miami-Dade County, Department of Human Services has not performed tagging of its equipment and property as of September 30, 2010.

Questioned Costs

None

Perspective

The finding is considered systemic in nature.

Cause

Adequate internal control procedures are not in place at the County to ensure compliance with state regulations.

Effect

The lack of compliance with the state regulations could lead to disallowed costs and jeopardize future grant funding.

Recommendation

We recommend the County establish procedures to ensure the proper tagging of equipment and property.

Management's Response

Management concurs with the recommendation. The Department of Human Services (DHS) acknowledges the importance of timely recording the acquisition of fixed assets into inventory. The asset has since been assigned an inventory number by the County as well as the Early Learning Coalition of Miami-Dade/Monroe, Inc. on behalf of the State of Florida Agency for Workforce Innovation.

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Year ended September 30, 2010

2010-17

State Program

Transportation Regional Incentive Program; CSFA No. 55.026; Award No. AV052

State Agency

Florida Department of Transportation

Pass-Through Entity

None

Criteria – Reporting

Florida Single Audit Act Statutes 215.97 requires recipients of state awards to identify, in its accounts, all State awards received and expended, and the State programs under which they were received. Section 5 provides that information from the Catalog of State Financial Assistance can include the standard state project number identifier, official title, legal authorization; and description of the state project including objectives, restrictions, and other relevant information determined necessary. Furthermore Section 8 requires the recipient or subrecipient of state financial assistance meeting the audit threshold requirements in any fiscal year of the nonstate entity, to have a state single audit conducted, including the schedule of expenditures of State awards, for such fiscal year in accordance with the requirements of the Florida Single Audit Act Statutes 215.97, and with additional requirements established in rules of the Department of Financial Services and Rules of the Auditor General.

The County's policy requires that the applicable department establish a unique subobject code for recording each grant award revenues and expenditures.

Condition Found

We noted that expenditures incurred during the year ended September 30, 2010 for CSFA No. 55.026 were not separately identified in accordance with County policy by a unique subobject code indicating that funds and related expenditures were from state grants, and as such, the expenditures were omitted from the fiscal year 2010 schedule of expenditures of federal awards and state financial assistance.

Questioned Costs

None

Perspective

This finding is considered systemic in nature.

Cause

The program was improperly set up by the County's Public Works Department as procurement or construction contracts, instead of as a State grant in the County's general ledger system.

Effect

As a result of excluding the expenditures for CSFA No. 55.026, this program was not selected as a major program during fiscal year 2010.

MIAMI-DADE COUNTY, FLORIDA

Schedule of Findings and Questioned Costs, as restated

Year ended September 30, 2010

Recommendation

We recommend that the County review its existing process for identifying and setting up potential federal and state grants in the general ledger and for inclusion in the schedule of expenditures of federal awards and state financial assistance to ensure that it is adequately comprehensive to capture all expenditures appropriately.

Management's Response

Management concurs with the recommendation. The existing process has been identified and a new procedure has been implemented to upgrade the current grant reporting process. A new database will be created in the Public Works System to ensure that all departmental grants are properly administered and accounted for in a timely manner.