

MIAMI-DADE COUNTY, FLORIDA

Notes to the Schedule of Expenditures of Federal Awards and State Financial Assistance

Year ended September 30, 2008

(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 the County for the year ended September 30, 2008. 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.

(2) Basis of Presentation

The Schedule includes the federal and state grant activity of certain funds and departments of Miami-Dade 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, 2008 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 receipts and 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 clean up continue to be reimbursed through FEMA and state grants, insurance proceeds, and general fund appropriations.

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Year ended September 30, 2008

For the year ended September 30, 2008, 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 State Housing Initiatives Program processed loans under the grant program. New loans made during the year ended September 30, 2008 are included as expenditures in the schedule of federal awards and state financial assistance. The outstanding loan balance at September 30, 2008 was approximately \$76,400,000.

(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.

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Schedule of Findings and Questioned Costs

Year ended September 30, 2008

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?	_____ Yes	_____ X	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) Circular A-133?	_____ X	Yes	_____ No

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

Federal programs	Federal CFDA No.	Opinion type
U.S. Department of Agriculture:		
Child and Adult Care Food Program	10.558	Qualified
U.S. Department of Housing and Urban Development:		
Community Development Block Grants/Entitlement Grants	14.218	Qualified
Community Development Block Grant	14.228	Unqualified
Supportive Housing Program	14.235	Unqualified
HOME Investment Partnerships Program	14.239	Qualified
U.S. Department of Health and Human Services:		
Child Support Enforcement	93.563	Unqualified
Community Services Block Grant	93.569	Unqualified
Temporary Assistance for Needy Families	93.558	Qualified
Child Care Development Fund Cluster:		
Child Care and Development Block Grant	93.575	Qualified
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	Qualified
Head Start	93.600	Qualified
HIV Emergency Relief Project Grants	93.914	Unqualified
U.S. Department of Homeland Security:		
State Homeland Security Grant Program	97.067	Qualified

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Dollar threshold used to distinguish between type A and type B programs: \$3,000,000
Auditee qualifies as low-risk auditee: _____ Yes X No

State Financial Assistance

Internal control over major projects:

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

Type of auditors' report issued on compliance for major programs: Unqualified

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

Identification of major projects:

<u>State projects</u>	<u>State CSFA No.</u>	<u>Opinion type</u>
Florida Department of State:		
Beach Erosion Control Program	37.003	Unqualified
Voluntary Pre-Kindergarten Program	75.007	Unqualified

Dollar threshold used to distinguish between type A and B projects: \$2,768,198

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Section II – Financial Statement Findings

None

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Schedule of Findings and Questioned Costs

Year ended September 30, 2008

Section III – Federal Award Program Findings and Questioned Costs

2008-01

Federal Program

Child and Adult Food Care Program; CFDA 10.558, Award Number Y8010

Federal Agency

U.S. Department of Agriculture (USDA)

Pass-Through Entity

State of Florida Department of Elder Affairs

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 3016.20a(2) of the Code of Federal Regulations (CFR) provides that fiscal and accounting procedures of the subgrantee 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 prohibition of applicable statutes. Further, Section (b)(2) of the CFR also stipulates that grantees and subgrantees must maintain records that adequately identify the source and application of funds provided for financially-assisted activities. These records must contain information pertaining to grant or subgrant awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays or expenditures, and income.

Condition Found

Pursuant to the approved contract/agreement (Y8010) between the County and the State of Florida Department of Elder Affairs, a total of \$185,000 was funded for food purchases during the period of October 1, 2007 through September 30, 2008.

Our review of the general ledger detail (grant index code) disclosed that salaries and benefit costs (payroll costs) totaling \$167,965 were recorded into the grant index code whereas only food costs are allowed under the grant agreement.

Questioned Costs

\$167,965

Perspective

The finding is considered systemic in nature.

Cause

The County did not have adequate procedures in place to track the detailed expenditures charged to this grant and to ensure only costs allowed under the program are recorded in the grant index code.

Effect

The lack of compliance with federal regulations could lead to inaccurate reporting of grant expenditures, disallowed costs, and termination of the County's participation in the Child and Adult Food Program.

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Schedule of Findings and Questioned Costs

Year ended September 30, 2008

Recommendation

We recommend that the County enhance internal controls over the allocation of costs from other grant codes into the grant index code related to the Child and Adult Food Care Program.

Management's Response

This contract is a unit cost reimbursement contract. Reimbursement is based on the number of meals served under contract. As such, reimbursement requested indicated the number of meals served and amount of food cost. Appropriate supporting documentation is kept by the Miami-Dade Human Services (MDHS) department and is available upon request. For unit cost reimbursement grants such as this one, which are not based on line item reimbursement, MDHS has traditionally recorded the revenue in the grant as collected based on the number of units of service provided (i.e. number of meals) and transferred program expenses to match the revenue collected since the grant is matched with general fund. In this case, personnel expenditures relating to this program were transferred to be consistent with other grants that are reimbursed based on units served in the Elderly, Disability and Veterans Services Bureau. In the future, we will transfer food costs only or request a language amendment to allow for personnel cost to this contract to avoid any further findings or misunderstanding.

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Schedule of Findings and Questioned Costs

Year ended September 30, 2008

2008-02

Federal Program

Child and Adult Food Care Program; CFDA #10.558, Award Number D-816

Federal Agency

U.S. Department of Agriculture (USDA)

Pass-Through Entity

State of Florida Department of Health

Criteria – Allowable Costs/Cost Principles

OMB Circular A-87 requires subrecipients of federal awards to maintain effective controls over the recording and claiming for reimbursement of costs related to federal program, and that the accounting treatment applied to those costs be consistently applied amount to the various federal programs. Additionally, OMB Circular A-87, B8(h) requires that the distribution of salaries and related benefits of employees who are assigned to work on multiple activities or cost centers be supported by personnel activity reports or equivalent documentation, which meets the standards outlined in B8(h)(5) of OMB Circular A-87 unless a statistical sampling system or other substitute system has been approved by the cognizant federal agency. Such supporting documentary support is required in a variety of circumstances such as when employees are assigned to work on multiple federal award programs. When an employee is assigned to work solely on one federal grant or cost objective, certifications must be prepared at least semi-annually certifying this fact, and must be signed by the employee or supervisory official having first-hand knowledge of the work performed by the employee.

Condition Found

During our testing of forty (40) payroll expenditures, we noted under contract D-816, one instance (1) where the Personnel Activity Report (PAR) was approved by the employee instead of the employee supervisor.

Additionally, the County did not prepare the required payroll certifications for the period October 1, 2007 through September 30, 2008, which certify the employees worked solely on the respective program. The total annual payroll costs amounted to \$138,403.

Questioned Costs

\$138,403

Perspective

The finding is considered systemic in nature.

Cause

The County did not properly design the procedures regarding the certification process. Furthermore, internal controls were not working effectively to ensure PARs are approved by immediate supervisor, as required.

Effect

The County is not in compliance with the requirements of OMB Circular A-87 with regard to documentation required for the distribution of salary and related benefits charges to the programs.

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Schedule of Findings and Questioned Costs

Year ended September 30, 2008

Recommendation

The County should enhance controls to ensure that PARs are approved only by immediate supervisors. We further recommend that the County develop a policy regarding the preparation and maintenance of the required semiannual payroll certifications for those employees who work solely on one federal program or cost objective. We further recommend that the County develop a standard certification format and implement procedures and controls to ensure that the required semiannual certifications are obtained and maintained in accordance with the requirements set forth in OMB Circular A-87.

Management's Response

Management concurs with the recommendation. The County currently requires the PAR custodian signature for all employees under a Division/Locator number. A listing of approved PAR custodians is maintained by the Department. MDHS will reinforce the established Policies and Procedures regarding the authorization of PAR to ensure compliance. Additionally, a certification form will be implemented pursuant to OMB Circular A-87 and completed on a semiannual basis.

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Year ended September 30, 2008

2008-03

Federal Program

Child and Adult Food Care Program; CFDA #10.558, Award Number A-1108

Federal Agency

U.S. Department of Agriculture (USDA)

Pass-Through Entity

State of Florida Department of Health

Criteria – Allowable Costs/Cost Principles

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 subgrantee 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 prohibition of applicable statutes. Furthermore, Section (b)(2) of the CFR also stipulates that grantees and subgrantees must maintain records that adequately identify the source and application of funds provided for financially-assisted activities. These records must contain information pertaining to grant or subgrant awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays or expenditures, and income.

Condition Found

The expenditures and related revenues for the food portion of the Head Start Program (CFDA 10.558) were originally recorded under a different grant program (CFDA 93.600) and were not accounted for separately. The County personnel performed manual after-the-fact reconciliations to attempt to separate the food component. It should be noted that the food component of the Head Start Program in the amount of \$2,117,224 was transferred to CFDA 10.558.

Questioned Costs

Undeterminable

Perspective

The finding is considered systemic in nature.

Cause

The Community Action Agency (CAA) Department personnel did not adhere to the County's procedures over the individual grants to ensure that an individual grant code is established in FAMIS for each grant for tracking revenues and expenditures separately.

Effect

The failure to account for each grant separately has led to several manual corrections through journal entries in order to correct the general ledger and to report grant expenditures on the schedule of expenditures of federal awards and state financial assistance (SEFA). The lack of compliance with applicable federal regulations could lead to disallowance of costs and jeopardize future federal funding.

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Year ended September 30, 2008

Recommendation

We recommend that the CAA Department personnel follow the County's policy and set up individual grant codes for each individual grant to maintain effective controls over the recording, reporting, and claiming for reimbursement of costs related to each federal program.

Management's Response

Management concurs with the recommendation. CAA has created separate grant codes for each grant. CAA will enhance its current process by providing additional training to staff responsible for administering the various grants and increasing supervisory oversight of all federally funded programs to ensure revenues and expenditures are correctly recorded. Currently, CAA is developing a fiscal procedural memorandum targeted for implementation during the fourth quarter of fiscal year 2009 which will outline this fiscal procedure.

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Schedule of Findings and Questioned Costs

Year ended September 30, 2008

2008-04

Federal Program

Child and Adult Food Care Program; CFDA #10.558, Award Number D-816

Federal Agency

U.S. Department of Agriculture (USDA)

Pass-Through Entity

State of Florida Department of Health

Criteria – Allowable Costs/Cost Principles

Pursuant to Title 7, Chapter II, Part 226, Section 226.12 of the Code of Federal Regulations (CFR) Sponsoring Organizations for day care homes are allowed to receive payments for administrative costs. During any fiscal year, the administrative costs payment to a sponsoring organization may not exceed the lesser of: 1) Actual expenditures for the cost of administering the program, 2) the amount of administrative costs approved by the State Agency in the sponsoring organization approved budget, or 3) the sum of the products obtained by multiplying number of day care homes by an applicable dollar value specified in the CFR.

Condition Found

Testing disclosed that the County reported an amount that exceeded the maximum amount that may be used for administrative activities.

Questioned Costs

None

Perspective

The finding is considered systemic in nature.

Cause

Adequate grant monitoring procedures were not in place to ensure administrative costs do not exceed the threshold allowed by CFR.

Effect

Due to the fact that County exceeded their limits related to administrative costs, a total of \$19,076 of administrative costs incurred by the County were disallowed (not reimbursed) by the grantor.

Recommendation

We recommend that the County, at a minimum, should:

- 1) Monitor monthly administrative expenditures closely to ensure earmarking limits are met.
- 2) Request a budget amendment from the grantor to account for any fluctuations in day care homes during the year.

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Year ended September 30, 2008

Management's Response

Management concurs with the recommendation. The Miami-Dade Human Services department will monitor administrative expenditures to ensure costs are recorded according to the appropriate cost allocation methodology as provided for in the current contract.

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Year ended September 30, 2008

2008-05

Federal Program

Child and Adult Food Care Program; CFDA #10.558, Award Number A-1108

Federal Agency

U.S. Department of Agriculture (USDA)

Pass-Through Entity

State of Florida Department of Health

Criteria – Reporting

The reporting requirements for federal awards require the applicable reports to include all activity of the reporting period, are to be supported by applicable records, to be fairly presented in accordance with program requirements, and to be submitted on a timely manner. The agreement between Miami-Dade County and the State of Florida requires claims for reimbursements to be filed within 60 days after the close of the month in which the claim incurred.

Condition Found

Our testing of the 12 monthly reimbursement requests submitted to the State for each of these Awards disclosed two (2) instances where the monthly reimbursement requests for the Head Start Program were not filed in a timely manner.

Questioned Costs

None

Perspective

The finding is considered systemic in nature.

Cause

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

Effect

Inaccurate and/or untimely filings of required reports could lead to disallowance of costs and/or termination from the program for lack of compliance with the reporting requirements.

Recommendation

The County should enhance its internal control procedures to ensure reports are submitted by the required deadline.

Management's Response

Management concurs with the recommendation. CAA's Fiscal Management Division has reassessed and enhanced its internal control procedures to ensure timely preparation, reconciliation and submission of financial reports. This enhancement will include an additional supervisory review level to ensure timely transmission of reports. In addition to these enhancements, CAA is developing a fiscal procedural memorandum targeted for implementation during the fourth quarter of fiscal year 2009, which will outline this fiscal procedure.

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Year ended September 30, 2008

2008-06

Federal Program

Child and Adult Food Care Program; CFDA #10.558, Award Number D-816

Federal Agency

U.S. Department of Agriculture (USDA)

Pass-Through Entity

State of Florida Department of Health

Criteria – Subrecipient Monitoring

A sponsoring organization is responsible for monitoring each provider/facility under the Child and Adult Food Care Program. Pursuant to Title 7, Part 226, Section 226.16 of the Code of Federal Regulations (CFR), sponsoring organizations must review each facility at least three times per year. The review will include an assessment of the facility's compliance with the requirements pertaining to meal pattern, licensing, meal counts, menu and meal records. Further, the grantee shall have appropriate policies and procedures in place to perform monitoring and follow-up on findings.

Condition Found

Our review of 40 day care home providers disclosed that monitoring was not conducted by the County at least three times per year for 36 of the 40 samples tested.

Questioned Costs

None

Perspective

The finding is considered systemic in nature.

Cause

The internal control policies and procedures were not designed to ensure adequate grant monitoring procedures in accordance with the grant agreements.

Effect

Failure to adequately monitor day care home providers for compliance with program requirements could result in noncompliance by the County. Without adequate monitoring, the County cannot be assured that the day care home service providers are administering the program in compliance with federal requirements. The lack of compliance with federal requirements could lead to disallowed costs.

Recommendation

We recommend that the County enhance monitoring procedures to ensure day care home service providers are monitored at least three times per year as required.

Management's Response

Management concurs with the recommendation. A monthly schedule of monitoring visits will be developed and implemented to ensure that all day care home service providers are monitored at least three times per year as required.

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Schedule of Findings and Questioned Costs

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2008-07

Federal Program

Community Development Block Grant/Entitlement Grants; CFDA #14.218, Award Numbers B-98-UC-12-0006, B-02-UC-12-0006, B-03-UC-12-0006, B-04-UC-12-0006, B-05-UC-12-0006, B-06-UC-12-0006, B-07-UC-12-0006, and B-08-UC-12-0006

Federal Agency

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

Pass-Through Entity

None

Criteria – Subrecipient Monitoring

A pass-through entity is responsible for monitoring subrecipients. Monitoring the subrecipient's use of federal awards may be through reporting, site visits, regular contact, or other means to provide reasonable assurance that the subrecipient administers federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements. The County shall have appropriate policies and procedures in place to perform subrecipient monitoring and follow-up on findings.

Condition Found

During our testing of subrecipient monitoring, we selected 40 subrecipients and noted the following:

- In two (2) instances, there was no evidence of a signed contract for the subrecipient. The contract is the basis for the program requirements;
- In two (2) instances, there was no evidence that the subrecipient was monitored;
- In four (4) instances, there was no evidence that findings were resolved within the appropriate period and three (3) instances, where there was no evidence of a corrective action plan.

Questioned Costs

Undetermined

Perspective

The finding is considered systematic in nature. There were 92 subrecipients that received a total of \$8,239,580 during the fiscal year 2008.

Cause

The County did not have adequate policies and procedures in place to perform subrecipient monitoring and follow-up on findings.

Effect

Failure to comply with the documentation required for subrecipient monitoring could result in noncompliance by the County.

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Recommendation

We recommend that the County develop and implement policies and procedures to help ensure that the appropriate subrecipient monitoring is conducted and documented. Further, such documentation should be retained, in a central file, in order to comply with the requirements of the grant.

Management's Response

Management concurs with the recommendations. OCED's Compliance Unit conducted file reviews during the second quarter of 2009 and will continue to perform random reviews through the rest of the fiscal year 2009. It will reinforce the importance of the use of the central file checklist to ensure the required documentation is maintained for each file.

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2008-08

Federal Program

Community Development Block Grant/Entitlement Grants; CFDA #14.218, Award Numbers B-98-UC-12-0006; B-02-UC-12-0006; B-03-UC-12-0006; B-04-UC-12-0006; B-05-UC12-0006; B-06-UC-12-0006; B-07-UC-12-0006; and B-08-UC-12-0006

Federal Agency

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

Pass-Through Entity

None

Criteria – Reporting

The Consolidated Annual Performance and Evaluation Report (CAPER) must be submitted for the CDBG Entitlement Program 90 days after the end of a grantee's program year.

Condition Found

During our testwork, we noted that the CAPER was not filed on a timely basis.

Questioned Costs

None

Perspective

The finding is considered systemic in nature.

Cause

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

Effect

Failure to submit the CAPER to HUD on a timely basis could result in the noncompliance by the County.

Recommendation

The County should ensure that the required financial reports are submitted on a timely basis.

Management's Response

Management concurs with the recommendation. In order to address this finding, OCED has implemented a series of deadlines and periodic reviews of the collected performance data to ensure its submission of the CAPER to US HUD within 90 days after the close of the program year in accordance with regulations 24 CFR 91.520 and 24 CFR 570.507. As a result, the 2008 CAPER was submitted to US HUD by March 31, 2009, within the 90-day submission period identified in the federal guidelines.

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2008-09

Federal Program

Supportive Housing Program; CFDA #14.235; Award Numbers FL 14B000014; FL 14B100001; FL 14B200002 through FL 14B2000031; FL 14B3000011; FL 14B96-0001 through FL 14B96-0018; FL 14B97-0101 through FL 14B97-0119; FL 14B99; FL 98-600; FL 14B4; FL 14B5; FL 14B6; and FL 14B7

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 make any reports that HUD may require within the required time frame.

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 14 out of 40 subrecipients tested, the required APR was not submitted to the County and as a result was not submitted to HUD within the required time frame. We further found that in 22 out of 40 subrecipients tested, the required APR was submitted late to the County and as a result was not submitted to HUD within the required time frame.

Questioned Costs

None

Perspective

The finding is considered systematic 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 noncompliance by the County.

Recommendation

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

Management's Response

Management concurs with the recommendation. In order to emphasize timely submission of APR's by the subrecipient to the Trust for submission to US HUD within the established 90-day

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requirement, the Trust implemented a new procedure at the midyear point of Fiscal Year 2007–2008. During the annual competitive funding review cycle of Fiscal Year 2007–2008, subrecipients were for the first time scored on their timely submission of APR's. Points were deducted from those subrecipients found not to be in compliance with the established timeframe for submission of APRs. It is expected that as this procedure is repeated on an annual basis during the funding review process, compliance for timely submission of APR's will be accomplished.

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2008-10

Federal Program

Supportive Housing Program; CFDA #14.235; Award Numbers FL 14B000014; FL 14B100001; FL 14B200002 through FL 14B2000031; FL 14B3000011; FL 14B96-0001 through FL 14B96-0018; FL 14B97-0101 through FL 14B97-0119; FL 14B99; FL 98-600; FL 14B4; FL 14B5; FL 14B6; and FL 14B7

Federal Agency

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

Pass-Through Entity

None

Criteria – Subrecipient Monitoring

A grantee is responsible for monitoring subrecipients. Monitoring the subrecipient's use of federal awards may be through reporting, site visits, regular contact, or other means to provide reasonable assurance that the subrecipient administers federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements. The County shall have appropriate policies and procedures in place to perform such monitoring and follow-up on findings.

Condition Found

During our testing of subrecipient monitoring, we noted one (1) instances out of eleven (11) where the monitoring file was missing the letter from the subrecipient acknowledging that corrective action(s) were addressed by subrecipient in a timely manner.

Questioned Costs

None

Perspective

The finding is considered systematic in nature.

Effect

Without documented evidence of follow-up, the subrecipient may not be in compliance with program requirements, which can also impact the County's compliance.

Recommendation

We recommend that the County enhance its policies and procedures to ensure that service providers resolve findings in a timely manner and that such resolution is properly documented in the subrecipient files.

Management's Response

While management does not concur that one missing letter is a systemic issue, management will note due dates to monitoring reports on the departmental calendar in order to track the timely responsiveness of its contracted agencies to future reports. The Homeless Trust conducts extensive monitoring of management's contracted providers. It is also important to note that management has a very small department and its contract monitoring and management supervisor was on maternity leave during the time period this occurred. Management will

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continue to enforce its current policies and procedures to ensure that all service providers resolve findings in a timely manner to be in compliance with program requirements.

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2008-11

Federal Program

HOME Investment Partnerships Program; CFDA #14.239, Award Numbers M-99-UC-12-0202; M-00-UC-12-0202; M-01-UC-12-0202; M-02-UC-12-0202; M-03-UC-12-0202; M-05-UC-12-0202; M-06-UC-12-0202; M-07-UC-12-0202; and M-08-UC-12-0202

Federal Agency

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

Pass-Through Entity

None

Criteria – Allowable Cost/Activities

OMB Circular A-87 requires recipients of federal awards to maintain effective controls over the recording and claiming for reimbursement of costs related to a federal program and that the accounting treatment applied to those costs be consistently applied among the various federal programs.

Condition Found

We noted one (1) out of eight (8) payroll periods tested, where the journal entry to reclassify costs related to the program was not posted to the general ledger.

Questioned Costs

None

Perspective

The finding is considered systematic in nature.

Cause

The County did not post a journal entry to reclassify amounts that relate to the direct program expenditures to the general ledger index code of the program on a timely basis.

Effect

The County understated expenditures related to the program.

Recommendation

We recommend that the County enhance its policies and procedures to ensure that appropriate costs are charged to the programs. This will improve the accuracy of financial reporting.

Management's Response

Management concurs with the recommendation. OCED will require staff to verify the general ledger balances after submitting entries to ensure the entries have been posted.

MIAMI-DADE COUNTY, FLORIDA

Schedule of Findings and Questioned Costs

Year ended September 30, 2008

2008-12

Federal Program

HOME Investment Partnerships Program; CFDA #14.239, Award Numbers M-99-UC-12-0202; M-00-UC-12-0202; M-01-UC-12-0202; M-02-UC-12-0202; M-03-UC-12-0202; M-05-UC-12-0202; M-06-UC-12-0202; M-07-UC-12-0202; and M-08-UC-12-0202

Federal Agency

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

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 HOME regulation at 24 CFR Part 92.500(d)(1)(C) states that HUD will reduce or recapture HOME funds in the HOME Investment Trust Fund Treasury account by the amount of any funds in the U.S. Treasury account that are not expended within five years after the last day of the month in which HUD notifies the participating jurisdiction of HUD's execution of the HOME Investment Partnerships Agreement.

Condition Found

We noted forty (40) instances out of 40 items sampled fell within the period of availability. However, we noted that the grant ending period, per the File Maintenance Form and FAMIS, fell beyond the five-year disbursement deadline.

Questioned Costs

Undeterminable

Perspective

The finding is considered systematic in nature.

Cause

The Office of Community and Economic Development (OCED) did not include the proper cut-off period in the File Maintenance Form and FAMIS related to the program's period of availability.

Effect

The incorrect date on the file maintenance form could result in the OCED not properly tracking the compliance requirement related to period of availability.

Recommendation

Although the File Maintenance Form and FAMIS may not be the sole mechanism to track the grant's period of availability, we recommend that in order to avoid any confusion, the OCED personnel input the proper dates on the File Maintenance Form and FAMIS.

MIAMI-DADE COUNTY, FLORIDA

Schedule of Findings and Questioned Costs

Year ended September 30, 2008

Management's Response

FAMIS is not the mechanism OCED uses to track the grant's period of availability. OCED is in compliance with HUD's expenditure requirements since it has committed its HOME funding within two years and expended these funds within five years as required by the grant guidelines and no exception was found. It should be noted that the department processes file maintenance forms at the end of the period of availability to close the grant codes, which in turns inactivates all index codes related to the grant to ensure funds are not charged after the close out report is submitted.

MIAMI-DADE COUNTY, FLORIDA

Schedule of Findings and Questioned Costs

Year ended September 30, 2008

2008-13

Federal Program

HOME Investment Partnerships Program; CFDA #14.239, Award Numbers M-99-UC-12-0202; M-00-UC-12-0202; M-01-UC-12-0202; M-02-UC-12-0202; M-03-UC-12-0202; M-05-UC-12-0202; M-06-UC-12-0202; M-07-UC-12-0202; and M-08-UC-12-0202

Federal Agency

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

Pass-Through Entity

None

Criteria – Eligibility

A participating jurisdiction may use HOME funds for tenant-based rental assistance, as provided for in 24 CFR Section 92.209(b). Recipients of federal awards should maintain effective controls over the requests of HOME funds for tenant-based rental assistance.

Condition Found

We noted six (6) instances out of a sample of 37, whereby tenants did not receive proper reimbursement for credits owed to them per the Rent Calculation Worksheet.

Questioned Costs

\$1,002

Perspective

The finding is considered systematic in nature.

Cause

The County did not have effective internal controls in place to ensure compliance with 24 CFR Section 92.209(b).

Effect

The County did not properly reimburse tenants credits owed to them per the Rental Calculation Worksheet.

Recommendation

We recommend that the County develop and implement policies and procedures to help ensure that the tenant-based rental projects reimburse tenants, credits owed to them in accordance with 24 CFR Section 92.209(b).

Management's Response

Even though the agency, not OCED, is required to provide a reimbursement for credit to a tenant, OCED now requires all agencies that administer tenant-based rental assistance projects to attach to the rent calculation sheets that accompany their payment requests documentation confirming the required reimbursement to their projects' tenants have occurred.

MIAMI-DADE COUNTY, FLORIDA

Schedule of Findings and Questioned Costs

Year ended September 30, 2008

2008-14

Federal Program

HOME Investment Partnerships Program; CFDA #14.239, Award Numbers M-99-UC-12-0202, M-00-UC-12-0202, M-01-UC-12-0202, M-02-UC-12-0202, M-03-UC-12-0202; M-05-UC-12-0202, M-06-UC-12-0202, M-07-UC-12-0202, and M-08-UC-12-0202

Federal Agency

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

Pass-Through Entity

None

Criteria – Eligibility

24 CFR Section 92.216(a) requires that for HOME-assisted rental housing, the participating jurisdiction must comply with the maximum HOME rent limits, which are the lesser of: (a) the fair market rent for existing housing for comparable units in the area as established by HUD under 24 CFR Section 888.111; or (b) a rent that does not exceed 30 percent of the adjusted income of a family whose annual income equals 65 percent of the median income for the area, as determined by HUD. In rental projects with five or more HOME-assisted rental units, there are additional rent limitations: 20 percent of the HOME-assisted units must be occupied by very low-income families and meet one of the following rent requirements: (1) the rent does not exceed 20 percent of the annual income of a family whose income equals 50 percent of the median income for the area, as determined by HUD, with adjustments for smaller and larger families or (2) the rent does not exceed 30 percent of the family's adjusted income.

Condition Found

We noted that the County does not perform a calculation of rent for HOME-assisted units as required by 24 CFR 92.216(a). Rather, the rent amount is calculated based on the published Florida Housing Finance Corporation Rents by Bedroom.

Questioned Costs

Undetermined

Perspective

This finding is considered systemic in nature.

Cause

The County calculates rent based on the published Florida Housing Finance Corporation Rents by Bedroom rather than in accordance with contract requirements.

Effect

Failure to comply with eligibility requirements as it relates to maximum home rent limits by HOME-assisted units may result in ineligible expenditures.

Recommendation

We recommend that the County develop and implement policies and procedures to help ensure that the agencies are in compliance with the maximum HOME rent limits. Furthermore, the County employees responsible for the rent calculations should attend HUD-sponsored trainings

MIAMI-DADE COUNTY, FLORIDA

Schedule of Findings and Questioned Costs

Year ended September 30, 2008

that will assist them in calculating the maximum home rent limits for federal compliance requirements.

Management's Response

Management concurs with the recommendation. The Housing Development and Loan Administration Division (HDLAD) of OCED will continue to train staff on the interpretation and performance of rent limit calculations of HOME funded projects. The Division's Rental Development Monitoring and Compliance Unit also updated its procedures manual. Periodically, the Unit's members received training by the Division's management on all topics cited in the manual, which includes the calculation of rent limits for HOME assisted projects. The manual includes forms that staff must use for the calculation of rent for HOME assisted units. The modified rent calculation procedure was implemented in January 2009.

MIAMI-DADE COUNTY, FLORIDA

Schedule of Findings and Questioned Costs

Year ended September 30, 2008

2008-15

Federal Program

HOME Investment Partnerships Program; CFDA #14.239, Award Numbers M-99-UC-12-0202; M-00-UC-12-0202; M-01-UC-12-0202; M-02-UC-12-0202; M-03-UC-12-0202; M-05-UC-12-0202; M-06-UC-12-0202; M-07-UC-12-0202; and M-08-UC-12-0202

Federal Agency

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

Pass-Through Entity

None

Criteria – Subrecipient Monitoring

A pass-through entity is responsible for monitoring subrecipients. Monitoring the subrecipient's use of federal awards may be through reporting, site visits, regular contact, or other means to provide reasonable assurance that the subrecipient administers federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements. The County shall have appropriate policies and procedures in place to perform subrecipient monitoring and follow-up on findings.

Condition Found

During our audit, we noted that in two (2) out of ten (10) instances the subrecipient did not resolve the findings that resulted from the County's monitoring within the time frame required. Also six (6) out of ten (10) subrecipients' files did not include audit reports.

Questioned Costs

Undetermined

Perspective

There were 17 subrecipients listed on the client-prepared monitoring tracking chart that received a total of \$2,591,891.

Cause

The County did not have appropriate policies and procedures in place to perform and document the monitoring of subrecipients and follow-up on findings.

Effect

Failure to adequately monitor subrecipients for compliance with program requirements could result in the noncompliance by the County.

Recommendation

We recommend that the County develop and implement policies and procedures to help ensure that the appropriate subrecipient monitoring is conducted and documented. Further, such documentation should be retained in order to comply with the requirements of the grant.

MIAMI-DADE COUNTY, FLORIDA

Schedule of Findings and Questioned Costs

Year ended September 30, 2008

Management's Response

Management concurs with the recommendation. For several years, OCED has maintained summary spreadsheets that identify not only the activities monitored throughout the monitoring phase of each fiscal year but also the results status of the monitoring, as well as the submission status of audit reports and progress reports. The procedure will be revised during 2009 so that the County staff can easily identify the corrective actions of each project file, obtain copies of the monitoring tracking and clearance letters, as well as an agency's final corrective action plan. By the end of the third quarter of the fiscal year 2009, the Unit will identify those projects that have unresolved items. OCED will issue letters of warning to those implementing agencies whose projects remain out of compliance, and 30 days afterwards issue notifications of funding suspensions to those projects with pending issues.

MIAMI-DADE COUNTY, FLORIDA

Schedule of Findings and Questioned Costs

Year ended September 30, 2008

2008-16

Federal Program

Community Services Block Grant; CFDA #93.569, Award Numbers 07-SB-5Z-11-23-01-017 and 08SB-61-11-23-01-017

Federal Agency

U.S. Department of Health and Human Services

Pass-Through Entity

Florida Department of Community Affairs

Criteria – Reporting

As set forth in the grant agreement under Attachment D “Program Statutes and Regulations” the County is required to match an amount equal to at least 20% of the funds received. Not less than 10% of the match shall be in cash. That is, the County shall supply a cash match equal to at least 2% of the CSBG funds received. In-kind match sources shall absorb the balance of the overall minimum 20% requirement. CSBG administrative expenses shall not to exceed 15% of the total final CSBG expenditures (match excluded) at close out. Any amounts in excess of this limit shall be refunded to the State at time of contract close out.

Condition Found

During our testwork, we noted that the match amount in the accounting records did not properly reconcile to the close out report submitted to the grantor.

Questioned Costs

None

Perspective

The finding is considered systematic in nature.

Cause

The County did not appear to have an adequate process in place to reconcile the accounting records to the close out report submitted to the grantor on a timely basis. The close out report had the correct amount; however, the accounting records did not reflect the \$235,428 transfer from the general fund related to the match.

Effect

The lack of timely reconciliation of the accounting records to the close out report could lead to errors reported to the grantor.

Recommendation

The County should enhance its process and ensure that the accounting records are reviewed on a timely basis so that they properly reconcile to amounts reflected in the close out report submitted to the grantor.

MIAMI-DADE COUNTY, FLORIDA

Schedule of Findings and Questioned Costs

Year ended September 30, 2008

Management's Response

Management concurs with the recommendation. The County has enhanced its review process to ensure that the grant close out reports reconcile to the information in FAMIS.

MIAMI-DADE COUNTY, FLORIDA

Schedule of Findings and Questioned Costs

Year ended September 30, 2008

2008-17

Federal Program

Community Services Block Grant; CFDA #93.569, Award Numbers 07-SB-5Z-11-23-01-017 and 08SB-61-11-23-01-017

Federal Agency

U.S. Department of Health and Human Services

Pass-Through Entity

Florida Department of Community Affairs

Criteria – Reporting

The required reports for federal awards include all activity of the reporting period, are supported by applicable records, are fairly presented in accordance with program requirements, and are submitted on a timely manner.

Condition Found

During our testwork, we noted two (2) of twelve (12) instances whereby the Monthly Form, Federal Statement Reports (FSR) were completed properly but not submitted on a timely manner.

Questioned Costs

None

Perspective

The finding is considered systematic in nature.

Cause

The County did not appear to have an adequate process in place to ensure the timely filing of required reports.

Effect

Inaccurate and/or untimely filings of required reports could lead to disallowed costs or termination from the program for lack of compliance with the reporting requirements.

Recommendation

The County should enhance its process and ensure that personnel are aware of reporting requirements and due dates. Furthermore, the County should enhance its procedures in regard to the approval and timely submission of reports.

Management's Response

Management concurs with the recommendation. CAA's Fiscal Management Division has reassessed and enhanced its internal control procedures to ensure timely preparation, reconciliation and submission of financial reports. This enhancement will include an additional supervisory review level to ensure timely transmission of report. In addition to these enhancements, CAA is developing a fiscal procedural memorandum targeted for implementation during the fourth quarter of fiscal year 2009, which will outline this fiscal procedure.

MIAMI-DADE COUNTY, FLORIDA

Schedule of Findings and Questioned Costs

Year ended September 30, 2008

2008-18

Federal Program

Child Care Development Fund Cluster: Child Care Development Block Grant; CFDA #93.575; and Child Care Mandatory and Matching Funds of the Child Care and Development Fund; CFDA #93.596; and Temporary Assistance for Needy Families; CFDA #93.558; Award Numbers C 07-106; C 08-114; C 07-113; and C 08-110

Federal Agency

U.S. Department of Health and Human Services

Pass-Through Entity

Early Learning Coalition Miami-Dade/Monroe, Inc.

Criteria – Activities Allowed or Unallowed

OMB Circular A-87 requires recipients of federal awards to maintain effective controls over the recording and claiming for reimbursement of costs related to a federal program, and that the accounting treatment applied to those costs be consistently applied among the various federal programs. Additionally, OMB Circular A-87, B8(h) requires that the distribution of salaries and related benefits of employees who are assigned to work on multiple activities or cost centers be supported by personnel activity reports or equivalent documentation that meets the standards outlined in B8(h)(5) of OMB Circular A-87 unless a statistical sampling system or other substitute system has been approved by the cognizant federal agency. Such documentary support is required in a variety of circumstances such as when employees are assigned to work solely on one federal fact, and must be signed by the employee or supervisory official having first-hand knowledge of the work performed by the employee.

Condition Found

Miami-Dade County Child Development Services (CDS) department did not prepare the required semiannual certifications that certify that the employees worked solely on the respective program. The total payroll related cost amounted to \$4,930,524.

Questioned Costs

\$4,930,524

Perspective

The finding is considered systemic in nature.

Cause

CDS did not properly design the procedures regarding the required certification process.

Effect

CDS is not in compliance with the requirements of OMB Circular A-87 with regard to documentation required for the distribution of salary and related benefit charges to the program.

MIAMI-DADE COUNTY, FLORIDA

Schedule of Findings and Questioned Costs

Year ended September 30, 2008

Recommendation

CDS should develop a policy regarding the preparation and maintenance of the required semiannual payroll certifications for those employees who work solely on one federal program or cost objective. We further recommend that CDS develop a standard certification format and implement procedures and controls to ensure that the required semiannual certifications are obtained and maintained in accordance with the requirements set forth in OMB Circular A-87.

Management's Response

Management concurs with the recommendation. A certification form will be implemented pursuant to OMB Circular A-87 and completed on a semiannual basis.

MIAMI-DADE COUNTY, FLORIDA

Schedule of Findings and Questioned Costs

Year ended September 30, 2008

2008-19

Federal Program

Head Start Program; CFDA #93.600, Award Numbers 04-CH0119/41 and 04-CH0119

Federal Agency

U.S. Department of Health and Human Services

Pass-Through Entity

None

Criteria – Allowable Costs/Cost Principles

OMB Circular A-87 requires subrecipients of federal awards to maintain effective controls over the recording and claiming for reimbursement of costs related to a federal program, and that the accounting treatment applied to those costs be consistently applied among the various federal programs. Additionally, OMB Circular A-87, B8(h) requires adequate support of salaries and wages distribution in addition to the standards for payroll documentation (payroll activity reports), for employees who are assigned to work on multiple activities or cost centers. Per OMB Circular A-87 subsection B8(h)(5), personnel activity reports (PARs) or equivalent documentation must meet the following standards: (a) they must reflect an after-the-fact distribution of the actual activity of each employee, (b) they must account for the total activity for which each employee is compensated, (c) they must be prepared at least monthly and must coincide with one or more pay periods, and (d) must be signed by the employee.

Condition Found

During our testing, we noted that employees working less than 100% of the time on the Head Start Grant did not adequately utilize timesheets to report the actual time spent on grant activity. In addition, we noted that employee time was allocated based on the predetermined percentage amounts, which varies throughout the calendar year. Therefore, employees working on multiple grants did not meet the standard outlined in OMB Circular A-87 subsection B8(h)(5), which required the supporting documentation to reflect an after-the-fact distribution of the actual activity of each employee. Thus, employee's time and effort were not tracked properly, so that the grant can be fairly charged for time actually spent on the grant. Approximately \$25,750,000 was related to payroll costs charged to the program.

Questioned Costs

Undeterminable.

Perspective

The finding is considered systemic in nature.

Cause

CAA did not properly design properly procedures regarding employees working on multiple grants to reflect an after-the-fact distribution of the actual activity of each employee.

Effect

The County is not in compliance with the requirements of OMB Circular A-87 with regard to documentation required for the distribution of salary and related benefit charges to the grant.

MIAMI-DADE COUNTY, FLORIDA

Schedule of Findings and Questioned Costs

Year ended September 30, 2008

Recommendation

We recommend that the County develop a standard certification of time and effort record, and implement procedures and controls to ensure that an after-the-fact determination of each employee's actual activity are obtained and maintained, at least monthly, in accordance with the requirements set forth in OMB Circular A-87.

Management's Response

Management agrees with the recommendation. CAA will enhance its current processes to ensure that employees' time and effort are captured properly so the grant can be fairly charged for time actually spent in the grant for those employees that work in multiple grants, as well as those that work solely in one grant.

MIAMI-DADE COUNTY, FLORIDA

Schedule of Findings and Questioned Costs

Year ended September 30, 2008

2008-20

Federal Program

Head Start Program; CFDA #93.600; Award Numbers 04-CH0119/41 and 04-CH0119

Federal Agency

U.S. Department of Health and Human Services

Pass-Through Entity

None

Criteria – Allowable Costs/Cost Principles

OMB Circular A-87 requires subrecipients of federal awards to maintain effective controls over the recording and claiming for reimbursement of costs related to federal program, and that the accounting treatment applied to those costs be consistently applied among the various federal programs.

Condition Found

Per our testing of allowable expenditures, one (1) of the forty (40) selected was not a Head Start Grant expenditure. While the County set up an index code for Head Start CFDA #93.600, it did not set up a separate index code for CFDA #10.558 Child and Adult Care Food Program. Through our testing of Allowable Costs/Cost Principles for both grants, we noted CFDA #10.558 expenditures were charged to the index code set up for CFDA #93.600 Head Start Program. We noted that an after-the-fact manual reconciliation is prepared based on cash receipts for CFDA No. 10.558.

Questioned Costs

None

Perspective

The finding is considered systemic in nature.

Cause

The CAA Department personnel did not adhere to the County's procedures over the individual grants to ensure that an individual grant code is established in FAMIS to separately track revenues and expenditures related to the Child and Adult Food Care Program (CFDA #10.558).

Effect

The failure to account for each grant separately has led to several manual corrections through journal entries in order to correct the general ledger and to report grant expenditures on the schedule of expenditures of federal awards and state financial assistance (SEFA). The lack of compliance with applicable federal regulations could lead to disallowance of costs and jeopardize future federal funding.

Recommendation

We recommend that the CAA Department personnel follow the County's policy and set up individual grant codes for each individual grant to maintain effective controls over the recording, reporting, and claiming for reimbursement of costs related to each federal program.

MIAMI-DADE COUNTY, FLORIDA

Schedule of Findings and Questioned Costs

Year ended September 30, 2008

Management's Response

Management concurs with the recommendation. CAA has created separate grant codes for each grant. CAA will enhance its current process by providing additional training to staff responsible for administering the various grants and increasing supervisory oversight of all federally funded programs to ensure revenues and expenditures are correctly recorded. Currently, CAA is developing a fiscal procedural memorandum targeted for implementation during the fourth quarter of fiscal year 2009, which will outline this fiscal procedure.

MIAMI-DADE COUNTY, FLORIDA

Schedule of Findings and Questioned Costs

Year ended September 30, 2008

2008-21

Federal Program

Head Start Program; CFDA #93.600, Award Numbers 04-CH0119/41 and 04-CH0119

Federal Agency

U.S. Department of Health and Human Services

Pass-Through Entity

None

Criteria – Cash Management

Grantees methods and procedures for transferring funds shall minimize the time elapsing between the transfer to recipients of grants and cooperative agreement and the recipient's need for the funds. Furthermore, such transfers shall be made consistent with program purposes, applicable law, and Treasury regulations contained in 31 CFR Part 205, Federal Funds Transfer Procedures.

Condition Found

During our testing, per review of the support for monthly drawdown of funds, we noted that the current person performing drawdowns was signing into the Payment Management System (PMS system online used to drawdown funds) using the login and password of the individual who was previously in charge of this duty.

Questioned Costs

None

Perspective

The finding is considered systemic in nature.

Cause

The County did not properly design procedures regarding controls over the PMS system online access.

Effect

Funds may be requested for reimbursement from an unauthorized individual.

Recommendation

The County should develop and implement policies and procedures to ensure that each individual who has access to PMS should maintain his/her own login and password as an authorized user.

Management's Response

Management concurs with the recommendation. Each designated employee has access and maintains his/her own login password as an authorized user. CAA will stress the importance of having an individual password and not sharing passwords.

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Schedule of Findings and Questioned Costs

Year ended September 30, 2008

2008-22

Federal Program

Head Start Program; CFDA #93.600; Award Numbers 04-CH0119/41 and 04-CH0119

Federal Agency

U.S. Department of Health and Human Services

Pass-Through Entity

None

Criteria – Period of Availability

OMB Circular A-110 states where a funding period is specified, a recipient may charge to the grant only allowable costs resulting from obligations incurred during the funding the period and any pre-award costs authorized by the Federal awarding agency.

Federal awards may specify a time period during which the nonfederal entity may use the federal funds. Where a funding period is specified, a nonfederal entity may charge to the award only costs resulting from obligations incurred during the funding period and any pre-award costs authorized by the federal awarding agency. Also, if authorized by the federal program, unobligated balances may be carried over and charged for obligations of the subsequent funding period. Obligations means that amounts of orders placed, contracts and subgrants awarded, goods and services received, and similar transactions during a given period that will require payment by the nonfederal entity during the same or future period.

Nonfederal entities subject to the A-102 Common Rule shall liquidate all obligations incurred under the awards no later than 90 days after the end of the funding period (or as specified in a program regulation) to coincide with the submission of the annual financial status report. The federal agency may extend this deadline upon request.

Condition Found

The File Maintenance Forms specifies how long each index code should be open, which is a control to help ensure funds are only expensed during the period of availability. During our testing we noted that the beginning and ending dates reflected thereon for both the “planned” and “actual” dates depicted a two-year period (i.e., period of availability) for which the CAA can liquidate its obligations. Grantees with the basic Head Start grants (i.e., Head Start and Early Head Start) with an indefinite project period date must liquidate its obligations no later than 90 days after each “budget” period. For example, the 2008 budget period is from August 1, 2007 to July 31, 2008, which allows the period of availability to extend through October 31, 2008. However, we noted that the approved File Maintenance Form reflected an error reflecting the extended date through October 31, 2009 rather than 2008.

Questioned Costs

None

Perspective

The finding is considered systemic in nature.

MIAMI-DADE COUNTY, FLORIDA

Schedule of Findings and Questioned Costs

Year ended September 30, 2008

Cause

CAA did not include the proper cut-off period in the File Maintenance Form and FAMIS related to the grantor's stated period of availability.

Effect

The incorrect date on the File Maintenance Form could result in CAA not properly tracking the compliance requirement related to the period of availability.

Recommendation

Although the File Maintenance Form and FAMIS may not be the sole mechanism to track the grant's period of availability, we recommend that in order to avoid any confusion, CAA personnel input the proper dates on the File Maintenance Form and FAMIS.

Management's Response

Management concurs with the recommendation. Although CAA currently uses other mechanisms to track the grant's period of availability, it has enhanced its internal control to ensure that each grant agreement/contract period coincides with the grant closing date in FAMIS. It should be noted that there were no exceptions found since the department processes file maintenance forms at the end of the period of availability to close the grant codes, which in turn inactivates all index codes related to the grant to ensure funds are not charged after the close out report is submitted.

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Year ended September 30, 2008

2008-23

Federal Program

Head Start Program; CFDA #93.600; Award Numbers 04-CH0119/41 and 04-CH0119

Federal Agency

U.S. Department of Health and Human Services

Pass-Through Entity

None

Criteria – Reporting

In accordance with the OMB Circular A-102, *Grants and Cooperative Agreements 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 manner.

Condition Found

During our testwork, we noted that one (1) of four (4) instances where the Quarterly Form 272 Federal Cash Transaction Report was not filed in a timely manner. Further, we noted no evidence to support proper review and approval.

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

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

Recommendation

The County should enhance its process and ensure personnel are aware of reporting requirements and due dates. Further, the County should develop policies and procedures in regard to the approval of reports.

Management's Response

Management concurs with the recommendation. CAA developed a Monthly Fiscal Management report schedule to track review dates and due dates for timely submission. Information is managed and updated weekly by the Lead Accountant and reviewed and approved by the Fiscal Management Division Director.

MIAMI-DADE COUNTY, FLORIDA

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Year ended September 30, 2008

2008-24

Federal Program

Homeland Security Grant Program; CFDA #97.067; Award Numbers 06-CC-4K-11-23-01-264; 07-CC-5R-11-23-01-33; 07-CI-5R-11-23-01-329; 07-DS-5N-11-23-01-406; 07-DS-5N-11-23-01-422; 07-DS-5N-11-23-01-423; 07-DS-5N-11-23-01-501; 2007-SHSP-Dade-1-Q5-046; 2007-SHSP-Dade-1-Q5-045; 2008-SHSP-Dade-1-S4-053; 2008-SHSP-Dade-2-S4-054; 2008-SHSP-Dade-3-S4-055; 07BG-04-11-23-05-235; 06DS-4H-11-23-02-342; 07DS-5S-11-23-02-379; 07DS-5N-11-23-13-341; FM235; and FM246

Federal Agency

U.S. Department of Homeland Security

Pass-Through Entity

State of Florida Department of Community Affairs, Florida Department of Law Enforcement, Florida Department of Health, City of Miami, Florida Department of State, and Florida Department of Financial Services

Criteria – Equipment and Real Property Management

44 CFR Part 13 stipulates that procedures for managing equipment, until disposition takes place, will, as a minimum, meet the following requirements:

- (1) Property records must be maintained that include a description of the property, a serial number or other identification number, the source of property, who holds title, the acquisition date and cost of the property, percentage of federal participation in the cost of the property, the location, use and condition of the property, and any ultimate disposition data including the date of disposal and sale price of the property.
- (2) A physical inventory of the property must be taken and the result reconciled with the property records at least once every two years.

Condition Found

We noted that the Miami-Dade Fire Rescue Department (MDFR) did not perform an annual physical inventory over the last two years. Rather, the inventory was performed in March 15, 2009.

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 federal regulations.

Effect

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

MIAMI-DADE COUNTY, FLORIDA

Schedule of Findings and Questioned Costs

Year ended September 30, 2008

Recommendation

We recommend the County establish procedures to ensure a physical inventory of property is taken and reconcile with the property records at least once every two years.

Management's Response

Management concurs with the recommendation. In 2007, the Count Inventory report produced by MDFR was not submitted within the required timeframe to the County General Services Administration (GSA). The circumstances surrounding the status of the 2007 report was associated with a transition in the methodology that the department used to process inventory.

Prior to 2008, these reports were managed by each division or bureau that had ownership of capital, and management's logistic bureau would merge all the information into one report. In 2008, the responsibility for reporting became the sole responsibility of a full-time logistics employee. As a result, the 2008 physical inventory was completed and report was submitted to GSA.

Auditor's Response

KPMG considers the finding applicable as there was no documentation to provide evidence that a 2007 or 2008 inventory had been performed.

MIAMI-DADE COUNTY, FLORIDA

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2008-25

Federal Program

Homeland Security Grant Program; CFDA #97.067; Award Numbers 06-CC-4K-11-23-01-264; 07-CC-5R-11-23-01-333; 07-CI-5R-11-23-01-329; 07-DS-5N-11-23-01-406; 07-DS-5N-11-23-01-422; 07-DS-5N-11-23-01-423; 07-DS-5N-11-23-01-501; 2007-SHSP-Dade-1-Q5-046; 2007-SHSP-Dade-1-Q5-045; 2008-SHSP-Dade-1-S4-053; 2008-SHSP-Dade-2-S4-054; 2008-SHSP-Dade-3-S4-055; 07BG-04-11-23-05-235; 06DS-4H-11-23-02-342; 07DS-5S-11-23-02-379; 07DS-5N-11-23-13-341; FM235; and FM246

Federal Agency

U.S. Department of Homeland Security

Pass-Through Entity

State of Florida Department of Community Affairs, Florida Department of Law Enforcement, Florida Department of Health, City of Miami, Florida Department of State, and Florida Department of Financial Services

Criteria – Reporting

The Quarterly reports are due to be received by the Division no later than 30 days after the end of each quarter of the program year and shall continue to be submitted each quarter until submission of the administrative close-out report. The ending dates for each quarter of the program year are March 31, June 30, September 30, and December 31.

Condition Found

During our testwork, we noted that two (2) quarterly reports for the month of March were not filed on a timely basis.

Questioned Costs

Undetermined

Perspective

The finding is considered systemic in nature.

Cause

The County did not have adequate procedures in place to ensure timely filing of required reports.

Effect

Failure to submit the quarterly reports to granting agency on a timely basis could result in the noncompliance by the County.

Recommendation

The County should ensure that the required financial reports are submitted on a timely basis.

Management's Response

Management concurs with the recommendation. MDFR correctly prepared the quarterly reports for the mentioned performance periods but submitted one day late. In the future, management will ensure that the reports are submitted timely.

MIAMI-DADE COUNTY, FLORIDA
Schedule of Findings and Questioned Costs
Year ended September 30, 2008

Section IV – State Financial Assistance Findings and Questioned Costs

None.