

Tarrant County, Texas

Single Audit Report for the
Year Ended September 30, 2015

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

The Honorable County Judge and Commissioners' Court
Tarrant County, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Tarrant County, Texas (the County), as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated March 21, 2016. Our report includes a reference to other auditors who audited the financial statements of the Tarrant County Hospital District and the Mental Health and Mental Retardation of Tarrant County, which represent all of the aggregate discretely presented component units, as described in our report on Tarrant County's financial statements. The financial statements of the Tarrant County Hospital District were not audited in accordance with *Government Auditing Standards*. Our report also includes an emphasis-of-matter paragraph relating to the implementation of Governmental Accounting Standards Board ("GASB") Statements No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27* and No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – An Amendment of GASB Statement No. 68*, as described in our report on Tarrant County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Management's Response to Findings

The County's response to the finding identified in our audit are described in the accompanying schedule of findings and questioned costs and the corrective action plan. The County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

Deloitte & Touche LLP

March 21, 2016

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS REQUIRED BY OMB CIRCULAR A-133 AND STATE OF TEXAS UNIFORM GRANT MANAGEMENT STANDARDS

The Honorable County Judge and Commissioners Court
Tarrant County, Texas

Report on Compliance for Each Major Federal and State Program

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

The County's basic financial statements include the operations of the Tarrant County Hospital District and the Mental Health and Mental Retardation of Tarrant County, which received federal awards not included in the County's Schedule of Expenditures of Federal and State Awards for the year ended September 30, 2015. Our audit, described below, did not include the operations of the Tarrant County Hospital District or the Mental Health and Mental Retardation of Tarrant County because those entities engaged other auditors to perform an audit in accordance with OMB Circular A-133 and the Texas Uniform Grant Management Standards ("UGMS"), as applicable.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and the State of Texas *Uniform Grant Management Standards (UGMS)*. Those standards, OMB Circular A-133 and UGMS require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal and State Program

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

Other Matters

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

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

Report on Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and UGMS, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

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

deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items 2015-002 that we consider to be a significant deficiency.

The County's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs and corrective action plan. The County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

Report on Schedule of Expenditures of Federal and State Awards Required by OMB Circular A-133 and UGMS

We have audited the financial statements of the County as of and for the year ended September 30, 2015, and have issued our report thereon dated March 21, 2016, which contained an unmodified opinion on those financial statements, an emphasis-of-matter paragraph related to the implementation of Governmental Accounting Standards Board ("GASB") Statements No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27* and No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – An Amendment of GASB Statement No. 68*, and a reference to other auditors. Our audit was conducted for the purpose of forming an opinion on the basic financial statements as a whole. The accompanying schedule of expenditures of federal and state awards is presented for purposes of additional analysis as required by OMB Circular A-133 and UGMS and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal and state awards is fairly stated in all material respects in relation to the financial statements as a whole.

Deloitte & Touche LLP

March 21, 2016

Tarrant County, Texas
Schedule of Expenditures of Federal and State Awards
For the Year Ended September 30, 2015

<u>Federal or State Grantor/ Pass-Through Grantor Program Title</u>	<u>CFDA Number</u>	<u>Grant/Contract Number</u>	<u>Federal/State Expenditures</u>	<u>Passed-Through to Subrecipients</u>
U.S. DEPARTMENT OF AGRICULTURE				
National School Lunch Program	10.555	01352	100,335	-
National School Lunch Program	10.555	01352	15,844	-
Total CFDA 10.555			116,179	-
Special Supplemental Nutrition Program for Women, Infants and Children				
Pass-Through from Texas Department of State Health Services	10.557	2011-037245-001	8	-
Pass-Through from Texas Department of State Health Services	10.557	2014-045077-001	1,871	-
Pass-Through from Texas Department of State Health Services	10.557	2015-047383	8,099,064	-
Total CFDA 10.557			8,100,943	-
Total U.S. Department of Agriculture			8,217,122	-
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Community Development Block Grants/Entitlement Grants - 37th Year	14.218	B11-UC-48-0001	75	-
Community Development Block Grants/Entitlement Grants - 38th Year	14.218	B12-UC-48-0001	199,024	-
Community Development Block Grants/Entitlement Grants - 39th Year	14.218	B13-UC-48-0001	1,599,832	-
Community Development Block Grants/Entitlement Grants - 40th Year	14.218	B14-UC-48-0001	1,979,387	44,717
Community Development Block Grants/Entitlement Grants - 41st Year	14.218	B15-UC-48-0001	141,801	14,143
Total CFDA 14.218			3,920,119	58,860
Community Development Block Grants/Non-Entitlement Grants (NSP)	14.228	B08-UN-48-0002	447,924	444,222
Emergency Solutions Grant Program - 39th Year	14.231	E-13-UC-48-0001	1,560	-
Emergency Solutions Grant Program - 40th Year	14.231	E-14-UC-48-0001	161,637	107,308
Emergency Solutions Grant Program - 41st Year	14.231	E-15-UC-48-0001	33,251	19,594
Total CFDA 14.231			196,448	126,902
Supportive Housing Program - 18th Year	14.235	TX0102L6T011205	37,208	36,619
Supportive Housing Program - 18th Year	14.235	TX0115L6T011205	14,101	13,931
Supportive Housing Program - 18th Year	14.235	TX0119L6T011205	3,674	3,243
Supportive Housing Program - 18th Year	14.235	TX0287L6T011201	10,550	9,848
Supportive Housing Program - 18th Year	14.235	TX0259L6T011201	17,278	9,158
Supportive Housing Program - 18th Year	14.235	TX0321B6T011100	25,443	24,263
Supportive Housing Program - 19th Year	14.235	TX0102L6T011306	88,084	84,468
Supportive Housing Program - 19th Year	14.235	TX0114L6T011306	103,646	63,719
Supportive Housing Program - 19th Year	14.235	TX0093L6T011306	111,564	88,644
Supportive Housing Program - 19th Year	14.235	TX0097L6T011306	13,442	12,811
Supportive Housing Program - 19th Year	14.235	TX0115L6T011306	63,303	60,739
Supportive Housing Program - 19th Year	14.235	TX0116L6T011306	133,906	128,716
Supportive Housing Program - 19th Year	14.235	TX0104L6T011306	298,323	288,648
Supportive Housing Program - 19th Year	14.235	TX0113L6T011306	350,573	128,622
Supportive Housing Program - 19th Year	14.235	TX0287L6T011302	128,889	123,335
Supportive Housing Program - 19th Year	14.235	TX0259L6T011302	91,004	79,787
Supportive Housing Program - 19th Year	14.235	TX0321L6T011301	110,461	106,865
Supportive Housing Program - 19th Year	14.235	TX0362L6T011300	39,514	35,545
Supportive Housing Program - 20th Year	14.235	TX0114L6T011407	21,926	19,243
Supportive Housing Program - 20th Year	14.235	TX0093L6T011407	146,048	136,280
Supportive Housing Program - 20th Year	14.235	TX0097L6T011407	12,490	11,697
Supportive Housing Program - 20th Year	14.235	TX0113L6T011407	384,532	170,337
Total CFDA 14.235			2,205,959	1,636,518
Shelter Plus Care	14.238	TX0320C6T011100	70,871	-
Home Investment Partnerships Program - 20th Year	14.239	M11-DC-48-0200	393,692	-
Home Investment Partnerships Program - 21st Year	14.239	M12-DC-48-0200	343,963	-
Home Investment Partnerships Program - 22st Year	14.239	M13-DC-48-0200	774,363	-
Home Investment Partnerships Program - 23rd Year	14.239	M14-DC-48-0200	207,659	-
Total CFDA 14.239			1,719,677	-
Housing Opportunities for Persons with AIDS	14.241	TX-H110026	134,753	131,073
Housing Opportunities for Persons with AIDS	14.241	TX-H140024	165,540	160,369
Pass-Through from Texas Department of State Health Services	14.241	2014-002563	30,547	30,547
Pass-Through from Texas Department of State Health Services	14.241	2015-002563-00	61,424	61,424
Total CFDA 14.241			392,264	383,413
Section 8 Housing Choice Vouchers - Administrative Reserve (Pre-FY2004)	14.871	N/A	7,885	-
Section 8 Housing Choice Vouchers - Administrative Reserve (Post-FY2004)	14.871	N/A	19,781	-
Section 8 Housing Choice Vouchers - Homeownership Administration	14.871	TX431AFHV03	52	-
Section 8 Housing Choice Vouchers - Administration (CY12)	14.871	TX21V431000082	(5)	-
Section 8 Housing Choice Vouchers - Administration (CY13)	14.871	TX21V431000082	(187)	-
Section 8 Housing Choice Vouchers - Administration (CY14)	14.871	TX21V431000082	383,223	-
Section 8 Housing Choice Vouchers - Administration (CY15)	14.871	TX21V431000082	1,360,987	-
Section 8 Housing Choice Vouchers - Portability	14.871	TX21V431000082	107,506	-

Tarrant County, Texas
Schedule of Expenditures of Federal and State Awards
For the Year Ended September 30, 2015

<u>Federal or State Grantor/ Pass-Through Grantor Program Title</u>	<u>CFDA Number</u>	<u>Grant/Contract Number</u>	<u>Federal/State Expenditures</u>	<u>Passed-Through to Subrecipients</u>
Section 8 Housing Choice Vouchers(CY13)	14.871	TX21V431000082	(70)	-
Section 8 Housing Choice Vouchers(CY14)	14.871	TX21V431000082	5,619,296	-
Section 8 Housing Choice Vouchers(CY15)	14.871	TX21V431000082	11,738,212	-
Section 8 Housing Choice Vouchers (VASH)(CY14)	14.871	TX431MSC	38,412	-
Section 8 Housing Choice Vouchers (VASH)(CY15)	14.871	TX431MSC	175,273	-
Section 8 Housing Choice Vouchers (FSS-CY12)	14.871	TX431FSF006	-	-
Total CFDA 14.871			<u>19,450,365</u>	<u>-</u>
Family Self-Sufficiency Program (CY14)	14.896	TX431FSF008	44,982	-
Family Self-Sufficiency Program (CY15)	14.896	TX431-FSS-6APH-2014	183,447	-
Total CFDA 14.896			<u>228,429</u>	<u>-</u>
Total U.S. Department of Housing and Urban Development			<u>28,632,056</u>	<u>2,649,915</u>
U.S. DEPARTMENT OF INTERIOR				
Payments in Lieu of Taxes	15.226	N/A	-	-
Total U.S. Department of Interior			<u>-</u>	<u>-</u>
U.S. DEPARTMENT OF JUSTICE				
Juvenile Accountability Block Grants				
Pass-Through from Texas Office of the Governor, CJD	16.523	JB-13287-16	28,838	-
Total CFDA 16.523			<u>28,838</u>	<u>-</u>
Missing Children's Assistance				
Pass-Through from City of Dallas Police Department	16.543	2013-MC-FX-K036	8,500	-
Crime Victim Assistance				
Pass-Through from Texas Office of the Governor, CJD	16.575	VA-13739-16	40,744	-
Pass-Through from Texas Office of the Governor, CJD	16.575	1373917	3,465	-
Pass-Through from Texas Office of the Governor, CJD	16.575	VA-24617-04	58,092	-
Pass-Through from Texas Office of the Governor, CJD	16.575	2461705	5,386	-
Total CFDA 16.575			<u>107,687</u>	<u>-</u>
Drug Court Discretionary Grant Program				
Pass-Through from Mental Health Mental Retardation Tarrant County	16.585	E141528	-	-
Pass-Through from Mental Health Mental Retardation Tarrant County	16.585	E151766	60,564	-
Total CFDA 16.585			<u>60,564</u>	<u>-</u>
Violence Against Women Formula Grants				
Pass-Through from Texas Office of the Governor, CJD	16.588	WF-27108-02	40,331	-
Pass-Through from Texas Office of the Governor, CJD	16.588	2710803	3,595	-
Total CFDA 16.588			<u>43,926</u>	<u>-</u>
State Criminal Alien Assistance Program (S.C.A A P.)	16.606	2015-AP_BX-0274	276,960	-
Project Safe Neighborhoods				
Pass-Through from Safe City Commission, Inc.	16.609	2013-GP-BX-0005	1,991	-
Edward Byrne Memorial Justice Assistance Grant				
Pass-Through from the City of Fort Worth, Texas	16.738	2013-DJ-BX-0364	43,287	-
Pass-Through from the City of Fort Worth, Texas	16.738		5,918	-
Pass-Through from the City of Fort Worth, Texas	16.738	2012-DJ-BX-1036	51,516	-
Pass-Through from the City of Fort Worth, Texas	16.738	2013-DJ-BX-0364	22,116	-
Total CFDA 16.738			<u>122,837</u>	<u>-</u>
DNA Backlog Reduction Program	16.741	2014-DN-BX-0088	133,576	-
Paul Coverdell Forensic Sciences Improvement Grant Program				
Pass-Through from Texas Office of the Governor, CJD	16.742	CD-14-A10-25258-04	67,669	-
Total CFDA 16.742			<u>67,669</u>	<u>-</u>
Second Chance Act Prisoner Reentry Initiative	16.812	2011-RY-BX-K009	121,124	-
Equitable Sharing Program (Asset Forfeiture Funds)-Sheriff	16.922	N/A	33,764	-
Total U.S. Department of Justice			<u>1,007,436</u>	<u>-</u>
U.S. DEPARTMENT OF TRANSPORTATION				
Highway Planning & Construction - Courtesy Patrol Program				
Pass-Through from Texas Department of Transportation	20.205	02-3XXF5006	(294)	-
Pass-Through from Texas Department of Transportation	20.205	02-4XXF5001	1,153,427	-
Total CFDA 20.205			<u>1,153,133</u>	<u>-</u>

Tarrant County, Texas
Schedule of Expenditures of Federal and State Awards
For the Year Ended September 30, 2015

<u>Federal or State Grantor/ Pass-Through Grantor Program Title</u>	<u>CFDA Number</u>	<u>Grant/Contract Number</u>	<u>Federal/State Expenditures</u>	<u>Passed-Through to Subrecipients</u>
Enhanced Mobility of Seniors and Individuals with Disabilities Pass-Through from North Central Texas Council of Governments Total CFDA 20.513	20.513	FTA-5310	80,021 80,021	80,021 80,021
National Priority Safety Programs Pass-Through from Texas Department of Transportation Pass-Through from Texas Department of Transportation Total CFDA 20.616	20.616 20.616	2014-TarrantC-G-1YG-0056 2015-TarrantC-G-1YG-0197	5,027 61,070 66,097	- - -
Total U.S. Department of Transportation			1,299,251	80,021
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
CDC - Prospective Comparison of the TST vs IGRAs Pass-Through from UNTHSC at Fort Worth Pass-Through from UNTHSC at Fort Worth Total CFDA 93.000	93.000 93.000	RF0050-2014-001 RF0051-2015-001	311 141,452 141,763	- - -
Medical Reserve Corps Small Grant Program Pass-Through from NACCHO Pass-Through from NACCHO Total CFDA 93.008	93.008 93.008	MRC-11-0155 MRC-14-0155C	1,706 1,460 3,166	- - -
Public Health Emergency Preparedness Pass-Through from Texas Department of State Health Services Pass-Through from Texas Department of State Health Services Pass-Through from Texas Department of State Health Services Pass-Through from Texas Department of State Health Services Pass-Through from Texas Department of State Health Services Pass-Through from Texas Department of State Health Services Pass-Through from Texas Department of State Health Services Pass-Through from Texas Department of State Health Services Pass-Through from Texas Department of State Health Services Pass-Through from Texas Department of State Health Services Total CFDA 93.069	93.069 93.069 93.069 93.069 93.069 93.069 93.069 93.069 93.069 93.069	2014-001175-00 2015-001175-00 2016-001175-00 2014-001167-00 2015-001167-00 2016-001167-00 2015-001169-00 2016-001169-00 2015-047212-01	(12) 167,173 56,471 (316) 797,907 297,737 230,855 67,470 134,813 1,752,098	- - - - - - - - -
Project Grants and Cooperative Agreements for Tuberculosis Control Programs Pass-Through from Texas Department of State Health Services Total CFDA 93.116	93.116	2015-001391-00	498,613 498,613	- -
Coordinated Services & Access to Research for Women, Infants, Children and Youth Coordinated Services & Access to Research for Women, Infants, Children and Youth Total CFDA 93.153	93.153 93.153	4-H12HA24819-03-01 2-H12HA24819-04-00	470,238 40,186 510,424	235,838 30,883 266,721
Immunization Cooperative Agreements Pass-Through from Texas Department of State Health Services Pass-Through from Texas Department of State Health Services Total CFDA 93.268	93.268 93.268	2015-001142-00 2016-001142-00	464,234 51,184 515,418	- - -
Centers for Disease Control & Prevention - Investigations & Technical Assistance Centers for Disease Control & Prevention - Investigations & Technical Assistance Centers for Disease Control & Prevention - Investigations & Technical Assistance Pass-Through from Texas Department of State Health Services Pass-Through from Texas Department of State Health Services Total CFDA 93.283	93.283 93.283 93.283 93.283 93.283	ISDS-0909-01 5U50OE000049-03 1U50OE000070-01 2012-041212-001B 2014-044968-001	1,583 151,137 15,343 14 9,352 177,429	- - - - -
National Implementation and Dissemination for Chronic Disease Prevention Pass-Through from Texas Department of State Health Services Total CFDA 93.328	93.328	TBD	44,449 44,449	- -
Building Capacity of the Public Health System to Improve Population Health Pass-Through from Texas Department of State Health Services Total CFDA 93.524	93.524	2015-012809	398 398	- -
Promoting Safe and Stable Families Pass-Through from Texas Department of Family and Protective Services Pass-Through from Texas Department of Family and Protective Services Pass-Through from Texas Department of Family and Protective Services Total CFDA 93.556	93.556 93.556 93.556	23792901-4 24186673 24186673	137,660 155,442 21,994 315,096	103,204 115,396 15,781 234,381
Temporary Assistance for Needy Families Pass-Through from Texas Department of State Health Services Pass-Through from Texas Department of State Health Services Pass-Through from Texas Department of State Health Services Pass-Through from Texas Health and Human Services Commission Pass-Through from Texas Health and Human Services Commission Total CFDA 93.558	93.558 93.558 93.558 93.558 93.558	2012-041212-001B 2014-044968-001 2015-047030-001B 529-08-0110-000071 529-16-0003	11,200 26,097 30,896 704,535 71,783 844,511	- - - - -

Tarrant County, Texas
Schedule of Expenditures of Federal and State Awards
For the Year Ended September 30, 2015

<u>Federal or State Grantor/ Pass-Through Grantor Program Title</u>	<u>CFDA Number</u>	<u>Grant/Contract Number</u>	<u>Federal/State Expenditures</u>	<u>Passed-Through to Subrecipients</u>
Refugee and Entrant Assistance-State Administered Programs				
Pass-Through from Texas Department of State Health Services	93.566	2015-01163-00	1,340,341	-
Total CFDA 93.566			<u>1,340,341</u>	<u>-</u>
Grants to States for Access and Visitation Programs				
Pass-Through from Texas Office of the Attorney General	93.597	13-C0109	52,300	-
Pass-Through from Texas Office of the Attorney General	93.597	13-C0109	5,050	-
Total CFDA 93.597			<u>57,350</u>	<u>-</u>
Foster Care Title IV-E				
Pass-Through from Texas Department of Family and Protective Services (CPS)-FY14	93.658	23941254-14-01	51,748	-
Pass-Through from Texas Department of Family and Protective Services (DA)-FY14	93.658	23941256-14-01	219,080	-
Pass-Through from Texas Juvenile Justice Division	93.658	TJPC-E-2008-220	24,397	-
Pass-Through from Texas Juvenile Justice Division	93.658	TJPC-E-2009-220	177,133	-
Pass-Through from Texas Juvenile Justice Division	93.658	TJPC-E-2010-220	330,085	-
Total CFDA 93.658			<u>802,443</u>	<u>-</u>
Cancer Prevention and Control Programs				
Pass-Through from Texas Department of State Health Services	93.752	2015-047030-001B	13,811	-
Total CFDA 93.752			<u>13,811</u>	<u>-</u>
Medical Assistance Program (Medicaid Administrative Claims)				
Pass-Through from Texas Department of Health and Human Services	93.778	7560011706-OE-01	180,428	-
Total CFDA 93.778			<u>180,428</u>	<u>-</u>
HIV Emergency Relief Project Grants	93.914	6-H89HA00047-19-01	2,017,259	1,174,064
HIV Emergency Relief Project Grants	93.914	2-H89HA00047-20-02	2,091,347	1,461,946
Total CFDA 93.914			<u>4,108,606</u>	<u>2,636,010</u>
HIV Care Formula Grants (Ryan White Part B)				
Pass-Through from Texas Department of State Health Services	93.917	2014-001453-00	(356)	(191)
Pass-Through from Texas Department of State Health Services	93.917	2015-001453-00	1,911,562	1,462,569
Total CFDA 93.917			<u>1,911,206</u>	<u>1,462,378</u>
Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease	93.918	6-H76HA00123-23-02	273,914	160,533
Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease	93.918	2-H76HA00123-24-00	578,675	384,628
Total CFDA 93.918			<u>852,589</u>	<u>545,161</u>
HIV Prevention Activities-Health Department Based				
Pass-Through from Texas Department of State Health Services	93.940	2015-001322-00	343,715	-
Pass-Through from Texas Department of State Health Services	93.940	2015-001372-00	129,056	-
Total CFDA 93.940			<u>472,771</u>	<u>-</u>
Preventive Health Services - STD Control Grants				
Pass-Through from Texas Department of State Health Services	93.977	2015-001322-00	374,311	-
Total CFDA 93.977			<u>374,311</u>	<u>-</u>
Total U.S. Department of Health and Human Services			<u>14,917,221</u>	<u>5,144,651</u>
U.S. DEPARTMENT OF HOMELAND SECURITY/FEMA				
Emergency Food and Shelter National Board Program	97.024	Phase XXXII	29,523	-
Homeland Security Grant Program				
Pass-Through from Texas Department of Public Safety-Emergency Mgmt.	97.067	11-SR-48439-01	(13,895)	-
Pass-Through from Texas Department of Public Safety-Emergency Mgmt.	97.067	13-SR-48439-01	64,447	-
Pass-Through from Texas Department of Public Safety-Emergency Mgmt.	97.067	14-GA-48439-04	136,239	-
Pass-Through from Texas Department of Public Safety-Emergency Mgmt.	97.067	13-SR-48439-02	1,269	-
Total CFDA 97.067			<u>188,060</u>	<u>-</u>
Total U.S. Department of Homeland Security/FEMA			<u>217,583</u>	<u>-</u>
TOTAL FEDERAL FINANCIAL AWARDS			<u>54,290,669</u>	<u>7,874,587</u>
STATE FINANCIAL AWARDS:				
TEXAS DEPARTMENT OF STATE HEALTH SERVICES				
State Services	N/A	2016-003756-00	22,719	22,719
HIV Care Formula Grants (Ryan White Part B)	N/A	2015-001453-00	296,255	296,255
HIV Prevention Activities-Health Department Based (HIV Prevention)	N/A	2015-001323-00	466,348	-
HIV Prevention Activities-Health Department Based (HIV Prevention)	N/A	2016-001323	50,633	-

Tarrant County, Texas
Schedule of Expenditures of Federal and State Awards
For the Year Ended September 30, 2015

<u>Federal or State Grantor/ Pass-Through Grantor Program Title</u>	<u>CFDA Number</u>	<u>Grant/Contract Number</u>	<u>Federal/State Expenditures</u>	<u>Passed-Through to Subrecipients</u>
TB/PC-Tuberculosis Control	N/A	2015-001447-00	596,322	-
TB/PC-Tuberculosis Control	N/A	2016-001447-00	63,488	-
Immunization Division	N/A	2015-001142-00	746,092	-
Immunization Division	N/A	2016-001142-00	65,144	-
Infectious Disease Control Unit/FLU Lab	N/A	2015-001152-00	181	-
Healthy Texas Babies	N/A	2015-047506-00	32,674	-
Healthy Texas Babies	N/A	2016-048295	1,624	-
Preventive Health and Health Services Block Grant	N/A	2014-001216-00	(714)	-
Preventive Health and Health Services Block Grant	N/A	2015-001216-00	242,726	-
Preventive Health and Health Services Block Grant	N/A	2016-001216-00	33,187	-
State-Based Comprehensive Breast & Cervical Cancer Early Detection Program	N/A	2012-041212-001B	2,200	-
State-Based Comprehensive Breast & Cervical Cancer Early Detection Program	N/A	2014-044968-001	32,186	-
Milk & Dairy/ FFS	N/A	2013-041779-001	62,475	-
Milk & Dairy/ FFS	N/A	2014-044063-001	145,075	-
Influenza Incidence Surveillance Project	N/A	2015-045848-00	6,700	-
Foodborne Illness Surveillance & Investigation	N/A	2015-046496-001	82,091	-
Foodborne Illness Surveillance & Investigation	N/A	2016-003773-00	7,227	-
Total Texas Department of State Health Services			<u>2,954,633</u>	<u>318,974</u>
OFFICE OF THE GOVERNOR, CRIMINAL JUSTICE DIVISION				
Family Drug Court	N/A	SF-15-A10-19697-08	46,423	-
Family Drug Court	N/A	2016-SF-ST-0015-1969709	3,750	-
Veterans Court Project	N/A	DC-14-A10-22852-05	2,058	-
Veterans Court Project	N/A	DC-22852-06	278,598	-
Veterans Court Project	N/A	2285207	21,418	-
Reaching Independence through Self Empowerment (RISE)	N/A	SF-25895-03	119,594	-
Reaching Independence through Self Empowerment (RISE)	N/A	2589504	10,481	-
Life Skills Training	N/A	SF-25540-03	73,436	-
Life Skills Training	N/A	2016-SF-ST-0015-2554004	6,536	-
First Offender Program	N/A	SF-25707-03	65,990	-
First Offender Program	N/A	2016-SF-ST-0015-2570704	12,096	-
D RECT Court Program	N/A	SF-16036-14	266,637	-
Mental Health Diversion Court Program	N/A	SF-14-A10-18289-08	160	-
Mental Health Diversion Court Program	N/A	SF-18289-09	121,121	-
Mental Health Diversion Court Program	N/A	1828910	7,882	-
Felony Alcohol Intervention Program	N/A	SF-20458-06	120,692	-
Felony Alcohol Intervention Program	N/A	2045807	16,002	-
Total Office of the Governor, Criminal Justice Division			<u>1,172,874</u>	<u>-</u>
TEXAS DEPARTMENT OF MOTOR VEHICLES/AUTO BURGLARY AND THEFT PREVENTION AUTHORITY				
Tarrant Regional Auto Crimes Task Force	N/A	2014-T01-Tarrant-00032	(1,069)	-
Tarrant Regional Auto Crimes Task Force	N/A	2015-T01-Tarrant-00025	1,080,768	-
Tarrant Regional Auto Crimes Task Force	N/A	608-16-2200000	65,819	-
Total Department of Motor Vehicles/Auto Burglary and Theft Prevention Authority			<u>1,145,518</u>	<u>-</u>
TEXAS DEPARTMENT OF TRANSPORTATION				
Highway Planning & Construction - Courtesy Patrol Program	N/A	02-3XXF5006	(74)	-
Highway Planning & Construction - Courtesy Patrol Program	N/A	02-4XXF5001	288,357	-
Transportation Infrastructure Fund	N/A	N/A	1,391,749	-
High Occupancy Vehicle Enforcement	N/A	02-4XXF5003	17	-
Total Department of Transportation			<u>1,680,049</u>	<u>-</u>
TEXAS COMMISSION ON ENVIRONMENTAL QUALITY				
Pass-Through From North Central Texas Council of Governments				
AirCheck Texas Repair and Replacement Program	N/A	582-12-20287	843,532	843,532
AirCheck Texas Repair and Replacement Program	N/A	582-12-20287	6,340,766	6,340,766

Tarrant County, Texas
Schedule of Expenditures of Federal and State Awards
For the Year Ended September 30, 2015

<u>Federal or State Grantor/ Pass-Through Grantor Program Title</u>	<u>CFDA Number</u>	<u>Grant/Contract Number</u>	<u>Federal/State Expenditures</u>	<u>Passed-Through to Subrecipients</u>
Local Initiatives Projects - Emissions Task Force	N/A	582-8-89958	456,167	-
Local Initiatives Projects - Emissions Task Force	N/A	582-14-40126	623	-
Total Texas Commission on Environmental Quality			<u>7,641,088</u>	<u>7,184,298</u>
TEXAS HEALTH AND HUMAN SERVICES COMMISSION				
Pass-Through From Mental Health Mental Retardation of Tarrant County				
Foster Care Treatment	N/A	N/A	(4,820)	-
Total Texas Health and Human Services Commission			<u>(4,820)</u>	<u>-</u>
OFFICE OF THE ATTORNEY GENERAL				
Bilingual Victims Assistance Coordinator	N/A	1553213	35,761	-
Bilingual Victims Assistance Coordinator	N/A		1,512	-
Texas Statewide Automated Victim Notification Service (SAVNS)	N/A	1555523	75,025	-
Total Office of the Attorney General			<u>112,298</u>	<u>-</u>
TEXAS INDIGENT DEFENSE COMMISSION				
Indigent Defense Formula Grant	N/A	212-14-220	1,605,028	-
Web-based Indigent Defense Appointment and Compliance Monitoring System	N/A	212-14-D09	891,901	-
Total Texas Indigent Defense Commission			<u>2,496,929</u>	<u>-</u>
TEXAS DEPARTMENT OF FAMILY AND PROTECTIVE SERVICES				
Promoting Safe and Stable Families - CYD Project	N/A	23792901-4	45,887	34,401
Promoting Safe and Stable Families - CYD Project	N/A	24186673	51,814	38,466
Promoting Safe and Stable Families - CYD Project	N/A	24186673	7,331	5,260
Total Texas Department of Family and Protective Services			<u>105,032</u>	<u>78,127</u>
TOTAL STATE FINANCIAL AWARDS			<u>17,303,601</u>	<u>7,581,399</u>
TOTAL FEDERAL AND STATE FINANCIAL AWARDS			<u>71,594,270</u>	<u>15,455,986</u>

See Notes to Schedule of Expenditures of Federal and State Awards

TARRANT COUNTY, TEXAS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED SEPTEMBER 30, 2015

1. Basis of Accounting - The schedule of expenditures of federal and state awards was prepared on the modified accrual basis of accounting. Amounts reported as expenditures in the accompanying schedule of expenditures of federal and state awards may not agree with the amounts reported in the related federal and state financial reports filed with the grantor agencies because of accruals, which would be included in the next report filed with the agency.

Federal grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant, and accordingly, when such funds are received, they are recorded as unavailable revenues until earned. The accompanying schedule of expenditures of federal and state awards is presented on the modified accrual basis of accounting.

2. The period of availability for federal and state grant funds for the purpose of liquidation of outstanding obligations made on or before the ending date of the federal and state project period extends 30 days beyond the federal project period ending date, in accordance with provisions in Section H: Period of Availability of Federal Funds, Part 3, *OMB Circular A-133 Compliance Supplement*.
3. The County participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustments by the grantor agencies; therefore, to the extent that the County has not complied with rules and regulations governing the grants, refund of any money received may be required and the collectability of any related receivable at September 30, 2015, may be impaired.

**TARRANT COUNTY, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

Section I—Summary of Auditors' Results

Financial Statements

1. Type of auditor's report issued: Unmodified
- Internal control over financial reporting:
2. Material weaknesses identified? _____ yes X no
 3. Significant deficiencies identified that are not considered to be material weaknesses? X yes _____ none reported
 4. Noncompliance material to financial statements noted? _____ yes X no

Federal Awards

Internal control over major programs:

5. Material weaknesses identified? _____ yes X no
6. Significant deficiencies identified that are not considered to be material weaknesses? X yes _____ none reported
7. Type of auditor's report issued on compliance for major programs: Unmodified
8. Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133? X yes _____ no
9. Identification of major programs:

Federal:

10.557 Special Supplemental Nutrition Program for Women, Infants, and Children
14.871 Section 8 Housing Choice Vouchers
14.235 Supportive Housing
93.917 Ryan White Part B

State:

Aircheck Texas Repair and Replacement Program
Transportation Infrastructure Fund
HIV Care Formula Grant (Ryan White Part B)

10. Dollar threshold used to distinguish between Type A and Type B programs:

Federal \$1,628,000

State \$519,000

11. Auditee qualified as low-risk auditee? ___X___ yes ___ no

Section II—Financial Statement Findings

2015-001 User Access Management and Security

Significant Deficiency in controls

User Access Management and Security

Criteria – Privileged access, granted directly or indirectly, should be restricted to only those authorized and necessary users for whom such access is commensurate with their respective job responsibilities.

Condition – During design and implementation testing of the user access controls around the SAP platform, we noted that the Administrative Group (“Basis team”) members had been provided with the authentication information (i.e., password) for the DDIC account in the SAP production environment. DDIC conveys the SAP_ALL composite profile, which the Basis team should not regularly have. Furthermore, the DDIC account was unlocked for the duration of FY2015. Note that the SAP_ALL composite profile contains all SAP authorizations, meaning that a user assigned to this profile can perform any and all tasks in the SAP system.

Cause – The DDIC account is required for certain tasks and updates to the SAP platform, and thus, should be granted the SAP_ALL composite profile in order to execute those tasks. The Basis team had been made aware of the password to the account as it is this team who typically makes the updates. However, the County did not appear to consider the risks associated with the account being accessible by Basis at all times and the conflict in segregation of duties that this presents given the nature and extent of access provided.

Perspective – As indicated by ‘Condition’ above, the default SAP_ALL composite profile provides full privileges to the SAP system and such extent of access is not required (nor commensurate) for Basis team members at all times. Additionally, given the access granted, the DDIC account should be secured from interactive login except in instances when direct access is necessary.

Asserted Effect – Assignment of access privileges protect the County’s systems from inappropriate access and failure to enforce may lead to unauthorized access and transactions being executed, compromising the intended security of the system, segregation of duties, and potentially causing lack of integrity and reliability of information produced by the systems.

Recommendation – SAP_ALL access should not be granted to end users or system administration personnel (e.g., Basis team members) - through direct assignment or by way of password knowledge to a generic type A (Dialog) or type S (service) account. When certain tasks or updates are required to be executed by one of these accounts (DDIC in this instance), temporary access should be granted and then removed as soon as the tasks requiring such access is complete. The accounts should be locked from interactive login at all other times. Further, the SAP Security team should be the gatekeepers to the accounts; that is, it is this team who should maintain the passwords, giving it to the team member requiring access for a particular task (after documented proof of approval) and then changing the password once the task is complete. Finally, during any period during which an account possessing SAP_ALL is unlocked, the account activity should be logged and reviewed.

View of Responsible Officials – See corrective action plan.

Section III—Federal Award Findings and Questioned Costs

2015-002 CFDA 14. 871 Section 8 Housing Choice Voucher Program –Department of Housing and Urban Development

Special Tests: Selection from the Waiting List –Significant Deficiency in Controls and Noncompliance with Grant Requirements

Criteria – In accordance with 24 CFR 982.204, each PHA must select participants from the waiting list in accordance with admission policies in the PHA administrative plan. Per the Tarrant County Housing Assistance Office (TCHAO) Administrative Plan, "...application data will be automatically downloaded into the TCHAO computer database at the end of each day and arranged by preference, date and time OR entered into the Lottery Pool for random selection...". TCHAO set up the Waiting List for applicants to be provided an initial interview-time in order of application submission time.

Condition –During our testing of the waiting list, we noted that TCHAO provided an applicant with a regular housing voucher when the applicant was not next in line on the regular waitlist. TCHAO improperly gave the applicant a regular waitlist voucher out of order.

Cause – A lack of sufficient review of the applicant's Interview File prior to issuance of a voucher, created this issue.

Questioned Costs – None, as the applicant was eligible for the voucher she received.

Perspective – One of 40 selections contained an instance where a manager reviewed an Interview File that they had also prepared. This resulted in an applicant being provided a voucher while not in accordance with TCHAO's waiting list admission policy.

Asserted Effect –The selection of applicants did not follow the compliance requirements from HUD, which requires the selection of participants in order of date from the waiting list.

Recommendation –Managers should carefully review applicant files prior to issuing a voucher. In addition, controls should be put in place to ensure that employees are not reviewing the same files they initially prepared and ensure that responsible employees fully understand the importance of performing a detailed review of such files and resolve any exceptions in a timely manner.

View of Responsible Officials – See corrective action plan.

2015–003 Contract #02-3XXF5006 & 02-4XXF5001 Highway Planning and Construction – Courtesy Patrol Program in the Transportation Infrastructure Fund Grant – Texas Department of Transportation Grant

CFDA 10.557 Supplemental Nutrition Program Women, Infants and Children (“WIC”) – Passed Through the Texas Department of State Health Services

CFDA 93.917 HIV Care Formula Grants (Ryan White Part B) – Passed Through the Texas Department of State Health Services

Procurement (Suspension and Debarment) – Noncompliance with Grant Requirements

Criteria— Statutes applicable to procurement in the State Uniform Administrative Requirements for Grants and Cooperative Agreements, Subpart C specify requirements related to awarding of funds to debarred or suspended parties. Based on these requirements, the Tarrant County Purchasing Policies and Procedures indicate, “Prior to procuring or entering into contract(s) for any goods/services, the sub-recipient must check debarment status of the vendor using the EPLS system and document that verification has occurred.”

Condition— During our test of bid files, we noted instances in which there was no documentation that the selected vendor was evaluated for suspension and debarment. However, in none of the instances were the vendors actually suspended or debarred.

Cause — The County does not always maintain documentation for the consideration of suspension/debarred status of potential vendors.

Questioned Costs — None

Perspective - We noted no documentation to show that the County checked for suspension and debarment for one out of two WIC contracts, two out of two Ryan White Part B contracts, and three out of three Transportation Infrastructure Grant contracts. However, the County asserted that the process was completed, but not documented appropriately. In addition, we noted that none of the vendors were in fact on the list of Suspended and Debarred vendors.

Asserted Effect—Absence of proper verification could result in contracts being awarded to suspended or debarred parties, which may result in nonperformance by vendors.

Recommendation—Ensure that department personnel and managers are adequately trained and understand the policies and procedures to be followed and acknowledge their responsibility for compliance with laws and regulations. Ensure procedures are in place and operating to verify all vendors for potential suspension and debarment with contracts of \$25,000 or greater prior to contract execution. Ensure appropriate documentation is maintained for suspension and debarment.

View of Responsible Officials —See corrective action plan.

CORRECTIVE ACTION PLAN

2015-001 User Access Management and Security

Significant Deficiency in Controls

Responsible Party - David Pietrucha, IT Manager - ERP Center of Excellence

Corrective Action - In order to address these findings, Tarrant County will implement the following changes:

- Schedule quarterly reviews of the usage log for the “DDIC” ID including the following personnel; the SAP Security Team, the Director of Security, and the Senior Manager of the ERP Center of Excellence.
- Implement additional login logic “DDIC” ID in PRD – additional login prompt which logs which Basis Team member is using DDIC and reason of intended use.

Expected Completion Date – March 16, 2016

2015-002 CFDA 14.871 Section 8 Housing Choice Voucher Program –Department of Housing and Urban Development

Special Tests: Selection from the Waiting List – Significant Deficiency in Controls and Noncompliance with Grant Requirements

Responsible Party – Wayne Pollard, Tarrant County Director of Housing

Corrective Action - The Leasing Department will have an additional staff person to review the applicant file before a voucher is issued to a potential program participant to ensure that policies have been followed. In addition this staff person will document in the file that the case was reviewed and is in accordance with HUD Regulations and the TCHAO Administrative Plan.

Expected Completion Date – April 1, 2016

2015–003 Contract #02-3XXF5006 & 02-4XXF5001 Highway Planning and Construction – Courtesy Patrol Program in the Transportation Infrastructure Fund Grant – Texas Department of Transportation Grant

CFDA 10.557 Supplemental Nutrition Program Women, Infants and Children (“WIC”) – Passed Through the Texas Department of State Health Services

CFDA 93.917 HIV Care Formula Grants (Ryan White Part B) – Passed Through the Texas Department of State Health Services

Procurement (Suspension and Debarment) – Noncompliance with Grant Requirements

Responsible Party – Jack Beacham, Purchasing Agent

Corrective Action - Tarrant County's purchasing policy requires the buyers to verify all vendors for potential suspension and debarment. All buyers in the purchasing department will annually attest, in writing, that they are aware and will follow the purchasing policy. Disciplinary action will be taken for noncompliance.

Expected Completion Date – November 10, 2015

STATUS OF PRIOR YEAR FINDINGS

2014-001 User Access Management and Security

Responsible Party - David Pietrucha, IT Manager - ERP Center of Excellence

Corrective Action - In order to address these findings, Tarrant County will implement the following changes to SAP user roles and permissions:

- Tarrant County confirmed that only five individuals are currently assigned to the SAP_ALL profile. There are three additional users with this profile that are currently deactivated.
- Tarrant County will create two new roles (Z_TC_BASIS and Z_TC_Role Admin) which are specific to the job responsibilities of the Basis team. These roles will replace the use of the SAP_ALL profile.
- Tarrant County will create a procedure that supports the temporary assignment of the SAP_ALL profile in emergency circumstances. Requests for the use of this profile will need to include a detailed explanation and specified time period for access. In addition, the approval from the following individuals will be required:
 - Information Security Officer
 - Application Development and Support Director or ERP CoE Manager.
- Tarrant County will continue to annually review profiles as part of the SAP Licenses Audit but will include additional steps to validate the utilization of the most critical.

Status - SAP_ALL was removed and new roles were created for all users both Basis and Security staff during the fiscal year.

2014-002 Calculation of the Pension and OPEB Net Asset/Obligation

Responsible Party – Suzanne McKenzie, Director of Grant and Financial Reporting and Laura Weist, Financial Services Manager

Corrective Action - The following corrective action plan will be implemented to ensure correct recording of the OPEB liability and net pension asset or obligation.

- Financial accounting staff will formally request, in writing to the County Administrator, the PEBC Executive Director, for the actuaries to provide additional information and schedules.
- Financial accounting staff will gain a greater understanding of the relationship between the GASB statement and the actuarial reports by attending training.

Status – Financial accounting staff attended several training seminars related to GASB statements and pensions and actuarial reports and are better prepared to prepare the necessary calculations.

2014-003 CFDA 10.557 Special Supplemental Nutrition Program for Women, Infants and Children (“WIC”) – Department of Agriculture, Passed Through the Texas Department of State Health Services

Suspension and Debarment – Significant Deficiency in Controls and Noncompliance with Grant Requirements

Responsible Party – Patti Shosid, Grant Manager Auditor’s Office

Corrective Action – There is a process in place to check for suspension and debarment for all contracts and purchase orders. Utility payments do not go through either of these processes. We have checked the debarment list for all utility providers on grant funded programs. None were on the list. We will continually check new providers and perform a comprehensive check of all utility providers on or about March 1 of each year.

Status – Utility providers are checked for debarment each year on or about March 1. In 2015, the list was checked in March and October. No utility vendors were found to be on the list.

2014-004 CFDA 10.557 Special Supplemental Nutrition Program for Women, Infants and Children (“WIC”) – Department of Agriculture, Passed Through the Texas Department of State Health Services

Eligibility – Significant Deficiency in Controls and Noncompliance with grant requirements

Responsible Party – Andrea Urquidez, R.D. , Area Coordinator, TCPH WIC Program

Corrective Action – The referenced WIC participant chart was reviewed and it was determined that the VENA (Value Enhanced Nutrition Assessment) documentation tool was not completed by the nutritionist on January 7, 2014. All additional nutritional assessment forms including the health history form, the growth chart, and the participant form were available and completed accurately. The error was reviewed with the nutritionist on March 6, 2015. The nutritionist’s previous chart audits were also reviewed to determine if this is a re-occurring issue. The nutritionist’s chart audits and LA audit for 2014 did not reflect this concern. The Local Agency (LA) auditor also confirmed that this error is rarely noted on other nutritionist’s audits keeping our audits with the allowable 20% error rate.

To ensure that all Tarrant County WIC employees follow the required procedures set forth by the WIC Program, peer chart audits are completed each month. Clinic employees have ten of their charts audited by their co-workers. The required State WIC audit is also completed each year by the LA Auditor with the goal of completing two if possible. During this audit each employee is monitored on all certification procedures. Participant charts for each employee are also reviewed by the auditor. Once the audits are complete they are reviewed by the Area Coordinators in charge of each clinic.

Re-occurring problems for individual employees are addressed by retraining on the topic. If the problem is re-occurring with several employees, the plan of action is to create a self-paced training or present the information at the next all staff meeting.

In reference to the comment about the audit by the Texas Department of State Health Services, it was noted that only one of two biannual internal audits of eligibility files was performed during the 2014

fiscal year and follow up on the internal audit performed during the year was not completed. Texas Department of State Health Services requires all LAs to complete one internal audit each year. In response to the 2014 State Audit, Tarrant County WIC Program's Quality Assurance Plan was updated in July 2014 to read that clinic staff will be audited at least one time each year, preferably twice if time allows on all clinical processes and procedures.

Status – All staff were observed and had records reviewed by the Quality Assurance team at least once last year. Documentation of review dates are maintained on site.

2014-005 CFDA 14.871 Section 8 Housing Choice Voucher Program – Department of Housing and Urban Development

Eligibility – Significant Deficiency in Controls

Responsible Party – Wayne Pollard, Tarrant County Director of Housing

Corrective Action – Tarrant County Housing Assistance Office (TCHAO) staff inadvertently selected the Multifamily Utility Allowance sheet instead of the Single Family Utility Allowance sheet in our housing software, which caused the error. Beginning immediately, TCHAO staff will recheck their calculations and verify they used the correct utility allowance worksheet. We will increase the number of our Quality Control files that are reviewed during this fiscal year.

Status – In the review of our case files it appears that staff is using the correct Utility Allowance sheets. They are following all procedures in place and rechecking their work. In our 2015 audit there were no findings in this area and things appear to be going as implemented. We will continue to monitor this process.

2014-006 CFDA 14.871 Section 8 Housing Choice Voucher Program – Department of Housing and Urban Development

Special Tests: Enforcement - Significant Deficiency in Controls and Noncompliance with Grant Requirements

Responsible Party – Wayne Pollard, Tarrant County Director of Housing

Corrective Action – Tarrant County Housing Assistance Office (TCHAO) disputes the above finding. TCHAO conducted the Annual Inspection on 1/17/14 and the unit failed the inspection. TCHAO conducted a re-inspection on the failed unit on 2/14/14 but there was no one present to allow access to the unit. We deemed this re-inspection as a NO SHOW. TCHAO met the 30 day requirement by attempting to inspect the unit on 2/14/14. TCHAO does not penalize the owner because no one showed up for the inspection. TCHAO sent letters on January 21, 2014 to the owner and program participant informing them of the re-inspection.

Status – TCHAO continues to support their initial response of dispute of the above finding.
