

**WAKE COUNTY, NORTH CAROLINA**  
**Raleigh, North Carolina**

**REPORT ON SCHEDULE OF EXPENDITURES  
OF FEDERAL AND STATE AWARDS AND  
REPORTS ON COMPLIANCE AND  
INTERNAL CONTROL**

*As of and for the Year Ended June 30, 2013*

# WAKE COUNTY, NORTH CAROLINA

## TABLE OF CONTENTS

---

Report of Independent Auditor on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	1 – 2
Report of Independent Auditor on Compliance with Requirements that Could Have a Direct and Material Effect on each Major Federal Program and on Internal Control over Compliance in Accordance with OMB Circular A-133 and the State Single Audit Implementation Act.....	3 – 5
Report of Independent Auditor on Compliance with Requirements that Could Have a Direct and Material Effect on each Major State Program and on Internal Control over Compliance in Accordance with OMB Circular A-133 and the State Single Audit Implementation Act.....	6 – 8
Schedule of Findings and Questioned Costs .....	9 – 24
Schedule of Prior Year Audit Findings and Questioned Costs .....	25
Schedule of Expenditures of Federal and State Awards .....	26 – 30
Notes to the Schedule of Expenditures of Federal and State Awards .....	31 – 32

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

Board of County Commissioners  
Wake County, North Carolina  
Raleigh, North Carolina

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Wake County, North Carolina (the "County"), as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated November 25, 2013. Our report includes a reference to other auditors who audited the financial statements of the Wake County ABC Board (the "Board"), as described in our report on the County's financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported separately by those auditors. The financial statements of the Board were not audited in accordance with *Government Auditing Standards*.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our 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.

Our consideration of internal control was for limited purpose described in the preceding paragraph 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. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be a material weakness.

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 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 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. We consider the deficiency described as item 2013-01 in the accompanying schedule of findings and questioned costs to be a material weakness.

### **Compliance and Other Matters**

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

### **Wake County's Response to Finding**

The County's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the auditing procedures applied in the audit of 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 result of that testing, and not to provide an opinion on the effectiveness of the County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

Raleigh, North Carolina  
November 25, 2013

**Report of Independent Auditor on Compliance with Requirements that Could Have a Direct and Material Effect on Each Major Federal Program and on Internal Control over Compliance in Accordance with OMB Circular A-133 and the State Single Audit Implementation Act**

Board of County Commissioners  
Wake County, North Carolina  
Raleigh, North Carolina

**Report on Compliance for Each Major Federal Program**

We have audited the Wake County, North Carolina (the "County"), compliance with the types of compliance requirements described in the OMB *Circular A-133 Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2013. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

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

**Auditor's Responsibility**

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

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

**Opinion on Each Major Federal Program**

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

**Other Matters**

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 2013-02 and 2013-04. Our opinion on each major federal program is not modified with respect to these matters.

### **Other Matters (Continued)**

The County's responses to the noncompliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The County's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on 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 a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses 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 2013-02, 2013-03, 2013-04, 2013-05, 2013-06, and 2013-07 that we consider to be significant deficiencies.

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

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. 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**

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the County, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We have issued our report thereon dated November 25, 2013, which contained an unmodified opinion on those financial statements. We did not audit the financial statements of the Wake County ABC Board (the "Board"). Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion on the County's financial statements, insofar as it relates to the amounts for the Board, is based solely on the reports of the other auditors. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying Schedule of Expenditures of Federal and State Awards is presented for the purposes of additional analysis as required by U.S. OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the State Single Audit Implementation Act, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal and State Awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

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

Raleigh, North Carolina  
November 25, 2013

**Report of Independent Auditor on Compliance with Requirements that Could Have a Direct and Material Effect on Each Major State Program and on Internal Control over Compliance in Accordance with OMB Circular A-133 and the State Single Audit Implementation Act**

Board of County Commissioners  
Wake County, North Carolina  
Raleigh, North Carolina

**Report on Compliance for Each Major State Program**

We have audited the Wake County, North Carolina (the "County"), compliance with the types of compliance requirements described in the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of the County's major state programs for the year ended June 30, 2013. The County's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

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

**Auditor's Responsibility**

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

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

**Opinion on Each Major State Program**

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2013.

**Other Matters**

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with applicable sections of OMB Circular A-133 as described in the audit manual for governmental auditing in North Carolina and which is described in the accompanying schedule of findings and questioned costs as item 2013-10. Our opinion on each major federal program is not modified with respect to these matters.

### **Other Matters (Continued)**

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

### **Report on Internal Control Over Compliance**

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies 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 2013-08, 2013-09 and 2013-10 that we consider to be significant deficiencies.

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

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. 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 the State Single Audit Implementation Act**

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the County, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We have issued our report thereon dated November 25, 2013, which contained an unmodified opinion on those financial statements. We did not audit the financial statements of the Wake County ABC Board (the "Board"). Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion on the County's financial statements, insofar as it relates to the amounts for the Board, is based solely on the reports of the other auditors. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying Schedule of Expenditures of Federal and State Awards is presented for the purposes of additional analysis as required by U.S. OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the State Single Audit Implementation Act, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal and State Awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

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

Raleigh, North Carolina  
November 25, 2013

**WAKE COUNTY, NORTH CAROLINA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

*FOR THE YEAR ENDED JUNE 30, 2013*

---

**Section I. Summary of Auditor's Results**

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness identified?  yes  no
- Significant deficiency identified that is not considered to be material weakness  yes  none reported

Noncompliance material to financial statements noted

yes  no

Federal Awards

Internal control over major federal programs:

- Material weakness identified?  yes  no
- Significant deficiency identified that is not considered to be material weakness  yes  no

Noncompliance material to federal awards

yes  no

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

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133

yes  no

**WAKE COUNTY, NORTH CAROLINA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

*FOR THE YEAR ENDED JUNE 30, 2013*

---

**Section I. Summary of Auditor's Results (continued)**

Identification of major federal programs:

<u>CFDA#</u>	<u>Program Name</u>
	Medicaid Cluster
93.778	Medical Assistance Program (Medicaid)
93.778	Medical Assistance Program (Medicaid) – Direct Benefit Payments
93.767	State Children's Health Insurance Program – Health Choice
	Foster Care and Adoption Assistance Cluster
93.658	Foster Care – Title IV-E
93.658	Foster Care – Title IV-E Direct Benefit Payments
93.659	Adoption Assistance
93.659	Adoption Assistance – Direct Benefit Payments
93.558	Temporary Assistance for Needy Families (TANF)
93.558	TANF – Direct Benefit Payments
	Workforce Investment Act Cluster
17.258	Workforce Investment Act – Adult Program
17.259	Workforce Investment Act – Youth Activities
17.278	Workforce Investment Act – Dislocated Workers
	Special Supplemental Nutrition Program for Women, Infants and Children
10.557	Administration
10.557	Direct Benefit Payments
93.563	Child Support Services
93.645	Child Welfare Services – State Grants

**WAKE COUNTY, NORTH CAROLINA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

FOR THE YEAR ENDED JUNE 30, 2013

---

**Section I. Summary of Auditor's Results (continued)**

Federal programs that did not meet the criteria for a major program using the criteria discussed in OMB Circular A-133 Section .520 but were tested as a major program because the State awards met the threshold for a major State program or were required to be tested as major by the State are included in the list of major federal programs.

Dollar threshold used to distinguish between  
Type A and Type B Programs \$3,000,000

Auditee qualified as low-risk auditee? X yes     no

State Awards

Internal control over major State programs:

- Material weakness identified?     yes X no
- Significant deficiency identified that is not considered to be material weakness X yes     no

Noncompliance material to state awards     yes X no

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

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

Identification of major State programs:

Program Name

State/County Special Assistance to Adults  
State Aid to Libraries

Other major State programs for Wake County are Foster Care and Adoption Assistance Cluster, Medicaid Cluster and the State Children's Health Insurance Program – Health Choice, which are State matches on Federal programs. Therefore, these programs have been included in the list of major federal programs above.

# WAKE COUNTY, NORTH CAROLINA

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2013

---

### Section II. Financial Statement Findings

#### Internal Control Material Weakness Finding 2013-01

**Criteria or specific requirement:** An effective system of control contemplates that all necessary adjustments to the financial records in order to conform to accounting principles generally accepted in the United States of America are identified in a timely manner.

**Condition:** During fiscal year 2013, management determined there were two instances where prior period adjustments were required to the Government-wide financial statements.

**Context:** The prior period adjustments required are described as follows:

**Capital Assets** - Management identified significant additions to Construction in Progress that had not previously been capitalized in the Government-Wide Financial Statements. These amounts were expensed in the government-wide and proprietary fund financial statements in prior years.

**Debt** - Management identified that the difference between refunded debt and the refunding debt were recognized in prior periods, rather than being deferred and amortized over the life of the debt. Additionally, unamortized bond premiums associated with refunded debt had not been expensed at the time of refunding in prior years.

**Effect:** The effect on the financial statements for each instance is described below.

**Capital Assets** - Capital assets and net position of the governmental activities were understated by approximately \$159.2 million in the government-wide financial statements. Capital Assets and net position of the business-type activities were understated by approximately \$1.9 million in the government-wide and proprietary fund financial statements.

**Debt** - Net position was overstated and deferred inflows of resources were understated by approximately \$72.3 million for the governmental activities in the government-wide financial statements. The unamortized bond premiums were overstated and net position was understated by approximately \$31 million for the governmental activities in the government-wide financial statements.

**Cause:** Management identified the cause of the adjustments as described below.

**Capital Assets** - Subsequent to the most recent financial system conversion, system parameters and reconciliation processes to identify and capture projects for capitalization were not correctly followed, resulting in the projects being expensed.

**Debt** - Management determined during the implementation of *GASB 65 – Items Previously Reported as Assets and Liabilities* that these amounts had not been properly recorded in the statement of net position of the governmental activities in the government-wide financial statements.

**Recommendation:** Management should implement reconciliation controls over capital expenditures to ensure capital assets are properly capitalized. Additionally, checks of system parameters should be considered for future software conversions. Management should implement controls over debt refundings to ensure all costs are appropriately reported.

**Views of responsible officials:** Wake County Finance concurs with this finding and has put procedures in place to address items noted above.

**WAKE COUNTY, NORTH CAROLINA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

*FOR THE YEAR ENDED JUNE 30, 2013*

---

**Section III. Federal Awards Findings and Questioned Costs**

U.S. Department of Health and Human Services  
Passed through the N.C. Department of Health and Human Services, Division of Social Services  
Program Name: Medicaid Cluster  
CFDA 93.778

**Eligibility**  
**Significant Deficiency and Non-material non-compliance**  
**Finding 2013-02**

**Criteria or specific requirement:** Case files for individuals receiving assistance are required to retain documentation to evidence appropriate eligibility determination, including verification of the individual's income, verification of the individuals real property, and verification of pregnancy in the event that presumptive Medicaid for Pregnant Women assistance.

**Condition:** We noted that in 2 instances all documentation of the appropriate eligibility determination for individuals had not been retained. Without the documentation of the required verification, the participants were deemed ineligible.

**Questioned costs:** Questioned costs for the 2 instances cannot be determined.

**Context:** The audit sampled 35 case files. Of the 35 files sampled, we noted 2 instances in which the case files did not contain the proper documentation to support the participant's eligibility.

**Effect:** By not having the required disability verification on file, the participant was deemed ineligible and received benefits that may otherwise have been deemed ineligible.

**Cause:** Documentation was misplaced and appropriate documents were not filed in the respective files.

**Recommendation:** Although this issue will occur from time to time considering the volume of case files that the County processes and maintains, we recommend that policies be put in place or reinforced to ensure that case files are maintained appropriately and all necessary documentation is included.

**Views of responsible officials:** Wake County Human Services concurs with this finding.

**WAKE COUNTY, NORTH CAROLINA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

*FOR THE YEAR ENDED JUNE 30, 2013*

---

U.S. Department of Health and Human Services  
Passed through the N.C. Department of Health and Human Services, Division of Social Services  
Program name: Foster Care and Adoption Assistance Cluster  
CFDA 93.658, 93.659

**Eligibility**  
**Significant Deficiency**  
**Finding 2013-03**

**Criteria or specific requirement:** Case files for individuals receiving assistance are required to retain documentation to evidence appropriate eligibility determinations.

**Condition:** We noted 2 instances where the case file did not contain appropriate documentation as specified by the Family Services Manual and Child Placement Services Manual.

**Context:** We performed testing over a sample of 40 case files. Of these 40 files, 20 foster care files were selected. We reviewed the files for each child noting 2 where the case file did not retain documentation evidencing a 6 month review was performed by the caseworker.

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

**Cause:** Appropriate documents were not filed in the respective files.

**Recommendation:** Although this issue will occur from time to time considering the volume of case files that the County processes and maintains, We recommend that policies be put in place or reinforced to ensure that case files are maintained appropriately and all necessary documentation is included.

**Views of responsible officials:** Wake County Human Services concurs with this finding.

# WAKE COUNTY, NORTH CAROLINA

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2013

---

U.S. Department of Health and Human Services  
Passed through the N.C. Department of Health and Human Services, Division of Social Services  
Program name: TANF  
CFDA 93.558

### **Eligibility**

#### **Significant Deficiency and Non-material Non-compliance**

#### **Finding 2013-04**

**Criteria or specific requirement:** Case files for individuals receiving assistance are required to retain documentation to evidence appropriate eligibility determinations.

**Condition:** We noted 2 instances where the case file could not be located to review eligibility documentation that had been retained, as specified by the Family Services Manual and Child Placement Services Manual or the case files could not be found.

**Questioned Costs:** Program manager reviewed EIS payment screens, noting total payments made to these two recipients in fiscal year 2013 total \$1,063.

**Context:** We performed testing over a sample of 40 case files, noting that 2 case files could not be located all together.

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

**Cause:** Appropriate documents were not filed in the respective files or the case files could not be located.

**Recommendation:** Although this issue will occur from time to time considering the volume of case files the County processes and maintains, we recommend that the County should continue to train employees on performing proper eligibility determinations and make sure information entered into the system agrees to the eligibility determinations made.

**Views of responsible officials:** Wake County Human Services concurs with this finding.

**WAKE COUNTY, NORTH CAROLINA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

*FOR THE YEAR ENDED JUNE 30, 2013*

---

U.S. Department of Health and Human Services

Passed through the N.C. Department of Health and Human Services, Division of Social Services  
Program name: TANF  
CFDA 93.558

**Reporting**  
**Significant Deficiency**  
**Finding 2013-05**

**Criteria or specific requirement:** Counties must submit the required information on their sample of TANF cases selected by the State by the required deadline.

**Condition:** We noted 1 instance where case information submitted to the State was not evidenced with documentation retained in the case files.

**Context:** We performed testing over a sample of 8 case files. We reviewed the files for each person, noting 1 file which did not contain required documentation to support information submitted.

**Effect:** By not ensuring appropriate documentation has been retained, inaccurate information could be submitted to the State.

**Cause:** Documentation was misplaced and appropriate documents were not filed in the respective files.

**Recommendation:** Although this issue will occur from time to time considering the volume of case files the County processes and maintains, we recommend that the County should continue to train employees on performing proper eligibility determinations and reporting of selected items to the State to ensure information entered into the system agrees with documentation in the case files.

**Views of responsible officials:** Wake County Human Services concurs with this finding.

# WAKE COUNTY, NORTH CAROLINA

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2013

---

U.S. Department of Health and Human Services  
Passed through the N.C. Department of Health and Human Services, Division of Social Services  
Program name: TANF  
CFDA 93.558

### **Special Tests and Provisions**

#### **Significant Deficiency**

#### **Finding 2013-06**

**Criteria or specific requirement:** Counties are required to conduct skills assessments for individuals who have been determined to be eligible for the program, and track the time spent on conducting those skills assessments.

**Condition:** We noted 2 instances where support documentation for time entered into EPIS for work performed did not agree with support retained for time spent on skills assessments.

**Context:** We performed a testing over a sample over 40 case files, noting 2 instance where supporting documentation did not agree to time entered in EPIS.

**Effect:** By not ensuring appropriate documentation has been retained, the auditor cannot be assured that the skills assessment has been completed or that time is being tracked appropriately for the skills assessment.

**Cause:** Documentation was misplaced and appropriate documents were not filed in the respective files.

**Recommendation:** Although this issue will occur from time to time considering the volume of case files the County processes and maintains, we recommend that the County should continue to train employees on performing proper eligibility determinations and reporting of selected items to the State to ensure information entered into the system agrees with documentation in the case files.

**Views of responsible officials:** Wake County Human Services concurs with this finding.

**WAKE COUNTY, NORTH CAROLINA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

*FOR THE YEAR ENDED JUNE 30, 2013*

---

U.S. Department of Agriculture  
Passed through the N.C. Department of Health and Human Services, Division of Social Services  
Program name: Special Supplemental Nutrition Program for Women, Infants and Children  
CFDA 10.557

**Eligibility**  
**Significant Deficiency**  
**Finding 2013-07**

**Criteria or specific requirement:** Individuals receiving benefit are required to be residents of North Carolina and have appropriate identification.

**Condition:** We noted 1 instance where documentation was not retained in the case file to evidence appropriate identity and residency of the program participant.

**Context:** We performed testing over 40 case files. We reviewed the files for each selection, noting 1 instance where identification and residency was not documented in the file.

**Effect:** By not ensuring the proper eligibility information in the system, ineligible individuals could potentially receive benefits.

**Cause:** Documentation was misplaced and appropriate documents were not filed in the respective files.

**Recommendation:** Although this issue will occur from time to time considering the volume of case files the County processes and maintains, we recommend that the County should continue to train employees on performing proper eligibility determinations and make sure information entered into the system agrees to the eligibility determinations made.

**Views of responsible officials:** Wake County Human Services concurs with this finding.

**WAKE COUNTY, NORTH CAROLINA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

*FOR THE YEAR ENDED JUNE 30, 2013*

---

**Section IV. State Awards Findings and Questioned Costs**

N.C. Department of Health and Human Services  
Department of Social Services (DSS)  
DSS Crosscutting

**Allowable Costs**  
**Significant Deficiency**  
**Finding 2013-08**

**Criteria or specific requirement:** The DSS Services Information System User's Manual requires that daysheets account for 100% of employee time and that program codes and activity codes are summarized correctly, day sheet entries are supported by documentation in case record files and day sheet summaries are transferred to the DSS-1571 accurately to an eligible fund source.

**Condition:** We noted 2 employees reviewed did not include all time completed by the employee for the months selected for testing.

**Context:** We performed testing of 40 employees that are reimbursable under Part I of the DSS-1571. Of these 40 employees, 26 employees were selected who are subject to submitting daysheets to track the program and activity codes where the employee spent their time. We reviewed the daysheets of these 26 employees and noted that in 2 cases, 100% of the employee's time was not included.

**Effect:** Program codes and activity codes of DSS employees are not transferred accurately to an eligible fund source.

**Cause:** The difference in the daysheets to the DSS-1571 has occurred due to data entry errors that were not caught by review.

**Recommendation:** We recommend that the data entry department take responsibility for obtaining daysheets periodically, on a predetermined schedule, throughout the month. This process would require the department to check daysheets as they are entered and to follow up with supervisors of employees whose daysheets have not been received. We also recommend that increased review occur over the entry of the data to minimize keying errors.

**Views of responsible officials:** Wake County Human Services concurs with this finding.

**WAKE COUNTY, NORTH CAROLINA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

*FOR THE YEAR ENDED JUNE 30, 2013*

---

N.C. Department of Health and Human Services  
Department of Social Services (DSS)  
DSS Crosscutting

**Allowable Costs**  
**Significant Deficiency**  
**Finding 2013-09**

**Criteria or specific requirement:** The North Carolina DHHS requires that contracts with external vendors include certain certifications to be signed by vendors, including certifications regarding drug free workplaces, lobbying and debarment and suspension.

**Condition:** The County did not have all required certifications on file for 3 contracts selected for testing.

**Context:** We performed testing of 6 contracts in connection with DSS-1571 Part IV procedures. Of these 6 contracts, 3 were noted as not having all required certifications on file with the County's office.

**Effect:** Contractors may not be in compliance with State requirements, and have not relinquished all required certifications to the County.

**Cause:** Management has not previously been aware that these certifications were required for all external vendors utilized.

**Recommendation:** We recommend that the County implement policies and procedures to periodically review certifications required from external vendors to confirm understanding is current, and that all required certifications are obtained from vendors who are utilized.

**Views of responsible officials:** Wake County Human Services concurs with this finding.

**WAKE COUNTY, NORTH CAROLINA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

*FOR THE YEAR ENDED JUNE 30, 2013*

---

N.C. Department of Health and Human Services  
Department of Social Services (DSS)  
State/County Special Assistance for Adults

**Eligibility**  
**Significant Deficiency and Non-material Non-compliance**  
**Finding 2013-10**

**Criteria or specific requirement:** Documentation is required to be retained to support eligibility determinations of recipients.

**Condition:** We noted 2 instances where documentation was not retained in the case file to evidence appropriate review of asset reserves with the Department of Transportation and County Tax Assessor's office, and 1 instance where the recipients file could not be located altogether.

**Questioned costs:** Program manager reviewed payment screens, nothing the non-County State share of total payments made to these three recipients is \$6,486.

**Context:** We performed testing over 40 case files. We reviewed the files for each selection, noting 2 instances where review of asset reserves could not be evidenced and 1 case file which could not be located.

**Effect:** By not ensuring the proper eligibility information in the system, the appropriate eligibility cannot be verified and inappropriate payments of \$6,486 have been paid to potentially ineligible recipients.

**Cause:** Documentation was misplaced and appropriate documents were not filed in the respective files.

**Recommendation:** Although this issue will occur from time to time considering the volume of case files the County processes and maintains, we recommend that the County should continue to train employees on performing proper eligibility determinations and make sure information entered into the system agrees to the eligibility determinations made.

**Views of responsible officials:** Wake County Human Services concurs with this finding.

**WAKE COUNTY, NORTH CAROLINA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

FOR THE YEAR ENDED JUNE 30, 2013

---

**Section V. Corrective Action Plans**

**Finding 2013-01**

Name of Contact Person: Susan McCullen  
Finance Director  
Wake County Finance Department

Corrective Action Plan: **Capital Assets** - Wake County will implement an improved reconciliation process that will compare capital expenditures in the County Capital project funds to the listing of construction in progress additions for the reporting on the Government-wide financial statements.

**Debt** - Finance Director will review and approve all journal entries related to subsequent bond issuances and the year-end debt conversion to the Government-wide financial statements.

Proposed Completion Date: November 2013

**Finding 2013-02**

Name of Contact Person: Tephia Lindsay, Program Manager  
Social Services Division  
Wake County Human Services

Corrective Action Plan: The Social Services Division (Family & Adult Medicaid Programs) will review the case files with the staff assigned to the cases to ensure that policies are addressed when processing a case. Reminders to all staff processing cases on ensuring all paperwork is in a case file will be sent. Also, a reminder on how to properly index documents in the document management system in order to locate documents will be sent to all staff processing case work.

Proposed Completion Date: October 2013

**Finding 2013-03**

Name of Contact Person: Warren Ludwig, Director  
Child Welfare Division  
Wake County Human Services

Corrective Action Plan: The Child Welfare Division will develop an automated system to track the dates of Permanency Planning Action Teams. These will be maintained by social workers and monitored by supervisors. Child Welfare will continue to train employees on the importance of conducting Permanency Planning Action Team Meetings within the allowed timeframes.

Proposed Completion Date: December 2013

**WAKE COUNTY, NORTH CAROLINA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

*FOR THE YEAR ENDED JUNE 30, 2013*

---

**Finding 2013-04**

Name of Contact Person: Barbara Harris, Program Manager  
Child Care Subsidy & Work First  
Wake County Human Services

Corrective Action Plan: Wake County is now using a paperless document Imaging System that will eliminate the dependence on hard copy files. Staff training on policy and procedures is ongoing, next scheduled training is October 25, 2013. Trainers and Supervisors review cases monthly to check for compliance.

Proposed Completion Date: November 2013

**Finding 2013-05**

Name of Contact Person: Barbara Harris, Program Manager  
Child Care Subsidy & Work First  
Wake County Human Services

Corrective Action Plan: The Work First Section will continue to provide ongoing training for Work First staff and will monitor case files for compliance.

Proposed Completion Date: October 2013

**Finding 2013-06**

Name of Contact Person: Barbara Harris, Program Manager  
Child Care Subsidy & Work First  
Wake County Human Services

Corrective Action Plan: The Work First Employment Trainer conducted a training session for all employment staff on the calculating of hours and entering supporting documentation EPIS. Supervisors will monitor for ongoing compliance.

Proposed Completion Date: September 2013

**Finding 2013-07**

Name of Contact Person: Wanda Toler  
Human Services Supervisor  
Children, Youth & Family Division  
Wake County Human Services

Corrective Action Plan: Phase I: Audit results and findings will be shared with the team of WIC Client Services Coordinators and expectations for completing and documenting the WIC income card will be reviewed.

Phase II: In addition, the WIC Program will implement a new client services computer system, Crossroads, within the next year which will eliminate the paper income card. Proofs of identification and residence will be documented electronically in this system which will reduce human error.

Proposed Completion Date: Phase I: November 2013, Phase II: Spring, 2014

**WAKE COUNTY, NORTH CAROLINA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

*FOR THE YEAR ENDED JUNE 30, 2013*

---

**Finding 2013-08**

Name of Contact Person: Giang Le, Director  
Child Youth and Family  
Wake County Human Services

Martha Crowley, Director  
Division of Social Services  
Wake County Human Services

Kathy Watson, Revenue Manager  
Wake County Human Services

Corrective Action Plan: The Data Entry Department will take responsibility for reviewing day sheets by running a report weekly to check to ensure they are entered and emails are sent to supervisors of employees for day sheets that have not been received or do not total the appropriate time for the week. Data Entry Department will run reports on a pre-determined schedule to ensure that day sheets have been certified by the supervisors on a timely basis. HS Finance will run reports periodically to validate the correct coding are being used and all time is being accounted for.

Proposed Completion Date: December 2013

**Finding 2013-09**

Name of Contact Person: Joan Zimmer, Contracts Management Supervisor  
Administration and Operations Division  
Wake County Human Services

Corrective Action Plan: The Department of Human Services will establish a process to document the funding sources of contracts and the determination when entities are sub-recipients of federal and state funds. Contracts issued for the 2015 fiscal year will incorporate these changes in the process.

Proposed Completion Date: June 2014

**Finding 2013-10**

Name of Contact Person: Liz Scott, Assistant Division Director  
Social Services Division  
Wake County Human Services

Corrective Action Plan: Supervisory staff in Special Assistance will review the case files with the appropriate staff to ensure that an asset determination is completed for all non-SSI individuals. A reminder will be sent to all staff about the requirement for all documentation to be in the client's electronic case file. Correct procedures for sending paper files to the record center will be discussed with supervisory staff.

Proposed Completion Date: October 2013

## **WAKE COUNTY, NORTH CAROLINA**

### **SCHEDULE OF PRIOR YEAR AUDIT FINDINGS AND QUESTIONED COSTS**

*FOR THE YEAR ENDED JUNE 30, 2013*

---

For prior year finding No. 2012-01, we identified one instance where the recipient receiving assistance through the Foster Care and Adoption Assistance Cluster was determined to be eligible for Adoption Assistance Title IV-B, but received funding under Adoption Assistance Title IV-E. We audited this Cluster in 2013 and noted no instances of inappropriate funding through the separate programs. This finding has been cleared in the current year.

For prior year finding No. 2012-02, we identified one instance where the case file selected for testing under the Foster Care and Adoption Assistance Cluster did not contain all appropriate documentation of the eligibility determination as specified by the Family Services and Child Placement Services Manuals. We audited this Cluster in 2013 and noted similar findings. This finding is not considered to have been cleared, and is reported as finding 2013-03 in the current year.

For prior year finding No. 2012-03, we identified instances where the child receiving assistance was eligible for Adoption Assistance Title IV-E but received funding under Adoption Assistance Title IV-B. We audited the Foster Care and Adoption Assistance Cluster in 2013 and noted no similar issues. This finding has been cleared in the current year.

For prior year finding No. 2012-04, we noted that the required monitoring tool was not being utilized by the County to monitor the activities of in-home aides. We tested this compliance requirement in conjunction with our DSS Crosscutting testing this year, and have noted no similar issues. This finding has been cleared in the current year.

For prior year finding No. 2012-05, we noted instances where daysheets reviewed for eligible employees did not include all time worked by the employees for the month selected. We conducted this test again in 2013 in connection with our DSS Crosscutting procedures, noting 2 instances where the employees daysheets did not include all time worked for the month in 2013. This finding is not considered to have been cleared, and is reported as finding 2013-08 in the current year.

**WAKE COUNTY, NORTH CAROLINA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**

FOR THE YEAR ENDED JUNE 30, 2013

<u>Grantor/Pass-Through Grantor/Program Titles</u>	<u>Federal CFDA #</u>	<u>Expenditures</u>		<u>Total</u>
		<u>Federal</u>	<u>State</u>	
<b>Federal Awards:</b>				
<b>U.S. Department of Health and Human Services</b>				
<b><u>Administration for Children and Families</u></b>				
<b>Passed-through the N.C. Department of Health and Human Services, Division of Social Services:</b>				
Promoting Safe and Stable Families	93.556	\$ 52,115		\$ 52,115
Temporary Assistance for Needy Families (TANF)	93.558	44,645		44,645
TANF - Direct Benefit Payments	93.558	3,761,308	(489)	3,760,819
Child Support Services	93.563	3,756,097		3,756,097
Refugee and Entrant Assistance-State Administered Programs:				
Direct Benefit Payments	93.566	107,936	-	107,936
Low-Income Home Energy Assistance:				
Direct Benefit Payments	93.568	(47)		(47)
Crisis Intervention Program	93.568	2,118,862		2,118,862
Administration	93.568	1,381,542		1,381,542
Child Welfare Services - Direct Benefit Payments	93.645	1,161,206	2,066,604	3,227,810
Child Welfare Services - State Grants	93.645	358,518		358,518
Social Services Block Grant	93.667	2,010,378	25,000	2,035,378
Links	93.674	115,692	18,724	134,416
Family Support Payments to States - Direct Benefit Payments	93.560	(2,452)	(672)	(3,124)
<b><u>Foster Care and Adoption Assistance Cluster:</u></b>				
Foster Care - Title IV-E	93.658	3,348,063	238,188	3,586,251
Foster Care - Title IV-E Direct Benefit Payments	93.658	1,331,126	417,377	1,748,503
Adoption Assistance	93.659	145,263		145,263
Adoption Assistance-Direct Benefit Payments	93.659	2,631,595	696,144	3,327,739
Total Foster Care and Adoption Assistance Cluster		<u>7,456,047</u>	<u>1,351,709</u>	<u>8,807,756</u>
<b><u>Administration for Children and Families</u></b>				
<b>Passed-through the N.C. Department of Health and Human Services, Division of Child Development:</b>				
<b><u>Subsidized Child Care Cluster:</u></b>				
Child Care and Development Block Grant - Discretionary	93.575	8,662,438		8,662,438
Child Care Mandatory and Matching Funds of the Child Care and Development Fund - Administration <b>(Passed through Division of Social Services)</b>	93.596	1,340,047		1,340,047
Child Care Mandatory and Matching Funds of the Child Care and Development Fund - Mandatory	93.596	4,489,027		4,489,027
Child Care Mandatory and Matching Funds of the Child Care and Development Fund - Match	93.596	6,337,343	2,326,944	8,664,287
Temporary Assistance for Needy Families (TANF)	93.558	16,016,960	-	16,016,960
Smart Start	NA		(2,089,596)	(2,089,596)
State Appropriations	NA		881,023	881,023
TANF- Maintenance-of-Effort	NA		(24,418)	(24,418)
Total Subsidized Child Care Cluster		<u>36,845,815</u>	<u>1,093,953</u>	<u>37,939,768</u>
<b><u>Centers for Medicare and Medicaid Services</u></b>				
<b>Passed-through the N.C. Department of Health and Human Services, Division of Medical Assistance:</b>				
<b><u>Medicaid Cluster:</u></b>				
Medical Assistance Program (Medicaid)	93.778	5,645,779	65,420	5,711,199
Medical Assistance Program (Medicaid)-Direct Benefit Payments	93.778	376,592,610	206,692,131	583,284,741
Total Medicaid Cluster		<u>382,238,389</u>	<u>206,757,551</u>	<u>588,995,940</u>
State Children's Health Insurance Program - Health Choice	93.767	266,293	33,297	299,590
Medicare LIS & MSP Enrollment Expansion Grant	93.779	7,051		7,051

**WAKE COUNTY, NORTH CAROLINA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**

FOR THE YEAR ENDED JUNE 30, 2013

<u>Grantor/Pass-Through Grantor/Program Titles</u>	<u>Federal CFDA #</u>	<u>Expenditures</u>		<u>Total</u>
		<u>Federal</u>	<u>State</u>	
<b>Centers for Disease Control and Prevention</b>				
<b>Passed-through the N.C. Department of Health and Human Services, Division of Public Health:</b>				
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	48,996	-	48,996
Centers for Disease Control and Prevention Investigations and Technical Assistance	93.283	131,251	-	131,251
Cooperative Agreements for State-Based Comprehensive Breast and Cervical Cancer Early Detection Programs	93.919	56,041	18,870	74,911
HIV Prevention Activities - Health Department Based	93.940	220,242	-	220,242
Preventive Health Services Sexually Transmitted Diseases Control Grants	93.977	64,690	-	64,690
Research Studies of AIDS and HIV	93.943	20,000	-	20,000
Refugee Health	93.576	24,000	-	24,000
<b>Statewide Health Promotion Program</b>	93.991	9,640	-	9,640
Public Health Emergency Preparedness	93.069	93,491	-	93,491
Immunization Program/Aid to County Funding	93.268	121,706	-	121,706
Affordable Care Act (ACA) Communities Putting Prevention to Work	93.520	2,768	-	2,768
<b>Health Resources and Services Administration</b>				
HIV Care Formula Grants	93.917	1,679,053	-	1,679,053
State Health Access Program	93.256	22,009	-	22,009
Maternal and Child Health Services Block Grants to States	93.994	607,026	455,323	1,062,349
<b>Administration for Children and Families</b>				
Temporary Assistance for Needy Families (TANF)	93.558	979,776	-	979,776
<b>Office of Population Affairs</b>				
Family Planning Services	93.217	16,350	-	16,350
<b>Substance Abuse and Mental Health Services Administration</b>				
Substance Abuse and Mental Health Services Projects	93.243	407,220	-	407,220
Block Grants for Prevention and Treatment of Substance Abuse	93.959	56,904	-	56,904
<b>Total U.S. Department of Health and Human Services</b>		<b>446,240,558</b>	<b>211,819,870</b>	<b>658,060,428</b>
<b>U.S. Department of Agriculture:</b>				
<b>Passed-through the N.C. Department of Health and Human Services, Division of Social Services:</b>				
<b>Food Stamp Cluster:</b>				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	2,972,793	-	2,972,793
<b>Passed-through the N.C. Department of Health and Human Services, Division of Public Health</b>				
<b>Special Supplemental Nutrition Program for Women, Infants and Children</b>				
Administration	10.557	3,570,051	-	3,570,051
Direct Benefit Payments	10.557	13,625,216	-	13,625,216
AGRI-SFSP Food Program Meal	10.559	1,160	-	1,160
Total Special Supplemental Nutrition Program for Women, Infants and Children		17,196,427	-	17,196,427
<b>Total U.S. Department of Agriculture</b>		<b>20,169,220</b>	<b>-</b>	<b>20,169,220</b>
<b>U.S. Department of Education:</b>				
<b>Passed-through the NC Department of Public Instruction</b>				
Safe and Drug-Free Schools and Communities National Programs	84.184	75,676	-	75,676
<b>Total U.S. Department of Education</b>		<b>75,676</b>	<b>-</b>	<b>75,676</b>

**WAKE COUNTY, NORTH CAROLINA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**

FOR THE YEAR ENDED JUNE 30, 2013

<u>Grantor/Pass-Through Grantor/Program Titles</u>	<u>Federal CFDA #</u>	<u>Expenditures</u>		<u>Total</u>
		<u>Federal</u>	<u>State</u>	
<b>U.S. Department of Justice:</b>				
Bulletproof Vest Partnership Program	16.607	11,030	-	11,030
State Criminal Alien Assistance Program	16.606	62,894	-	62,894
<b>Passed-through the N.C. Department of Public Safety</b>				
Drug Court Discretionary Grant	16.585	89,680	-	89,680
Public Safety Partnership and Community Policing Grants	16.710	31,557	-	31,557
Coverdell Grant	16.742	19,181	-	19,181
Edward Byrne Memorial Formula Grant Program	16.738	199,230	-	199,230
<b>Total U.S. Department of Justice</b>		<b>413,572</b>	<b>-</b>	<b>413,572</b>
<b>U.S. Department of Homeland Security:</b>				
<b>Office of Domestic Preparedness</b>				
<b>Passed-through the N.C. Department of Public Safety</b>				
Homeland Security Grant Program	97.067	113,720	-	113,720
FEMA	97.FEMA	10,723	-	10,723
State Homeland Security Program (SHSP)	97.073	1,361	-	1,361
<b>Total U.S. Department of Homeland Security</b>		<b>125,804</b>	<b>-</b>	<b>125,804</b>
<b>U.S. Department of Housing and Urban Development:</b>				
Shelter Plus Care	14.238	939,152	-	939,152
Community Developmental Block Grants/Entitlement Grants	14.218	1,862,737	-	1,862,737
Supportive Housing Program	14.235	398,064	-	398,064
HOME Investment Partnership Program	14.239	2,580,474	-	2,580,474
Housing Opportunity for Persons with Aids - HOPWA	14.241	769,783	-	769,783
Historic Preservation Grant	15.904	10,000	-	10,000
<b>Passed-through the City of Raleigh:</b>				
Emergency Shelter Grants Program	14.231	139,824	-	139,824
<b>Total U.S. Department of Housing and Urban Development</b>		<b>6,700,034</b>	<b>-</b>	<b>6,700,034</b>
<b>U.S. Department of Labor</b>				
<b>Passed-through the N.C. Department of Economic and Community Development, Job Training Partnership Act:</b>				
<u>Workforce Investment Act Cluster:</u>				
Workforce Investment Act-Adult Program	17.258	2,057,250	-	2,057,250
Workforce Investment Act-Youth Activities	17.259	1,847,732	-	1,847,732
Workforce Investment Act-Dislocated Workers	17.278	1,339,283	-	1,339,283
Total WIA Cluster		5,244,265	-	5,244,265
Incentive Grants - WIA Section 503	17.267	1,712,951	-	1,712,951
<b>Total U.S. Department of Labor</b>		<b>6,957,216</b>	<b>-</b>	<b>6,957,216</b>
<b>U.S. Environmental Protection Agency:</b>				
Watershed Management Program	66.202	368,724	-	368,724
<b>Total U.S. Environmental Protection Agency</b>		<b>368,724</b>	<b>-</b>	<b>368,724</b>
<b>U.S. Corporation for National and Community Services</b>				
<b>Passed through N.C. Office of Volunteerism and Community Services</b>				
Ameri Corps	94.006	170,195	-	170,195
<b>Total U.S. Corporation for National and Community Services</b>		<b>170,195</b>	<b>-</b>	<b>170,195</b>
<b>Total Federal Awards</b>		<b>481,220,999</b>	<b>211,819,870</b>	<b>693,040,869</b>

**WAKE COUNTY, NORTH CAROLINA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**

FOR THE YEAR ENDED JUNE 30, 2013

<u>Grantor/Pass-Through Grantor/Program Titles</u>	<u>Federal CFDA #</u>	<u>Expenditures</u>		<u>Total</u>
		<u>Federal</u>	<u>State</u>	
<b>State Awards:</b>				
<b>N.C. Department of Cultural Resources:</b>				
<b>Division of State Library:</b>				
State Aid to Libraries		-	527,548	527,548
<b>N.C. Department of Health and Human Services:</b>				
<b>Division of Public Health:</b>				
General Aid to Counties		-	266,340	266,340
Communicable Disease - HIV/HBV		-	52,158	52,158
Tuberculosis Control		-	94,866	94,866
TB Medical Service			8,005	8,005
HIV Preventative Training		-	24,550	24,550
HIV Non-Traditional Test Site			150,000	150,000
School Nurse Funding Initiative			50,000	50,000
Women's Health Service Fund			33,416	33,416
Risk Reduction/Health Promotion		-	6,206	6,206
Healthy Communities			2,773	2,773
Environmental Health			4,000	4,000
Total Division of Health		-	692,314	692,314
<b>Division Of Mental Health, Developmental Disabilities and Substance Abuse Services:</b>				
Multidisciplinary Evaluation		-	3,100	3,100
<b>Division Of Vocational Rehabilitation:</b>				
Supported Employment Grant		-	13,068	13,068
<b>Division of Social Services:</b>				
Energy Assistance Private Grants			290,457	290,457
Adult Protective Services				
Direct Benefit Payments:				
State/County Special Assistance for Adults		-	3,830,902	3,830,902
State Foster Home		-	404,817	404,817
State Foster Home Maximization		-	194,139	194,139
Foster Care at Risk Maximization		-	(326)	(326)
Total Division of Social Services		-	4,719,989	4,719,989
<b>Division of Child Development:</b>				
<b>Passed-through the Wake County Smart Start, Inc.:</b>				
North Carolina Smart Start			439,172	439,172
<b>Division of Resource Management:</b>				
NC FAST			29,272	29,272
<b>Total N.C. Department of Health and Human Services</b>		-	<b>5,896,915</b>	<b>5,896,915</b>
<b>N.C. Department of Transportation, Public Transportation Division:</b>				
<b>Rural Operating Assistance Program (ROAP) - Cluster</b>				
Elderly and Disabled Transportation Assistance Program (EDTAP)		-	253,025	253,025
Rural General Public Program (RGP)		-	268,131	268,131
Work First/Employment Transportation Operating Assistance		-	173,195	173,195
Total Rural Operating Assistance Program (ROAP) Cluster			694,351	694,351
Human Services Transportation Management Program		-	291,766	291,766
Traveler's Aid		-	7,500	7,500
<b>Total N.C. Department of Transportation</b>		-	<b>993,617</b>	<b>993,617</b>

**WAKE COUNTY, NORTH CAROLINA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**

*FOR THE YEAR ENDED JUNE 30, 2013*

<u>Grantor/Pass-Through Grantor/Program Titles</u>	<u>Federal CFDA #</u>	<u>Expenditures</u>		<u>Total</u>
		<u>Federal</u>	<u>State</u>	
<b>N.C. Department of Environment</b> Environment Health Food & Lodging			70,726	70,726
<b>N.C. Department of Agriculture</b> State Farm Grant			28,000	28,000
<b>N.C. Department of Administration:</b> Veterans Services Program		-	1,452	1,452
<b>N.C. Department of Public Safety</b> JCPC			1,207,586	1,207,586
Community Detention Program		-	136,696	136,696
<b>Total N.C. Department of Public Safety</b>		-	<b>1,344,282</b>	<b>1,344,282</b>
<b>Total State Awards</b>		-	<b>8,862,540</b>	<b>8,862,540</b>
<b>Total Federal and State Awards</b>		<b>\$ 481,220,999</b>	<b>\$ 220,682,410</b>	<b>\$ 701,903,409</b>

## WAKE COUNTY, NORTH CAROLINA

### NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

FOR THE YEAR ENDED JUNE 30, 2013

---

General – The accompanying Schedule of Expenditures of Federal and State Awards presents the activity of all federal and State financial award programs of Wake County, North Carolina (the “County”). 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 the State Single Audit Implementation Act. Therefore, some of the amounts presented in this schedule may differ from amounts presented in, or used in, the preparation of the financial statements. Benefit payments are paid directly to recipients and are not included in the County’s financial statements. However, due to the County’s involvement in determining eligibility, they are considered federal and State awards to the County and are included on this schedule.

- A. Basis of Accounting – The accompanying Schedule of Expenditures of Federal and State Awards is prepared on the modified accrual basis of accounting.
- B. Major Programs – Cluster programs are considered as one program for determining major programs in accordance with OMB Circular A-133 and the State Single Audit Implementation Act. Also, the federal and State portions of the cluster programs is included when identifying major programs for calculating the percentage of coverage of federal and State awards expended.
- C. Relationship to federal and State Financial Reports – Amounts reported in the accompanying schedule agree with the amounts reported in the related federal and State financial reports except in cases where those reports are filed on a basis other than the modified accrual basis of accounting.
- D. Prior Year Expenditures – Where allowed by grant agreement, prior year expenditures that have not been previously tested may be included in the Schedule of Awards at June 30, 2013. Generally this occurs when grants are awarded after the related project or program has started incurring expenses and retroactive reimbursement is allowed per the funding agreement or when corrections are made due to previous year(s) omissions.

**WAKE COUNTY, NORTH CAROLINA****NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS***FOR THE YEAR ENDED JUNE 30, 2013*

## Subrecipients

During the fiscal year ended June 30, 2013, the County provided the federal and State awards to subrecipients as follows:

Program Titles	Federal CFDA #	Expenditures	
		Federal	State
<b>WIA Cluster</b>			
<b>Passed-through the NC Department of Commerce, Workforce Investment Act</b>			
Workforce Investment Act - Adult	17.258	\$ 1,743,116	\$ -
Workforce Investment Act - Youth	17.259	1,600,920	-
Workforce Investment Act - Dislocated Worker	17.278	1,784,278	-
<b>NC Department of Transportation, Public Transportation Division</b>			
Elderly and Disabled Transportation Assistance Program (EDTAP)		-	25,305
<b>Passed-through the NC Department of Public Safety</b>			
Edward Byrne Memorial Justice Assistance Grant (JAG)	16.738	100,617	-
<b>NC Department of Public Safety</b>			
Juvenile Crime Prevention Council Programs		-	1,171,635
<b>TOTAL AWARDS TO SUBRECIPIENTS</b>		<u>\$ 5,228,931</u>	<u>\$ 1,196,940</u>