



**MECKLENBURG COUNTY, NORTH  
CAROLINA**

REPORT ON SCHEDULE OF EXPENDITURES  
OF FEDERAL AND STATE AWARDS

*For the Year Ended June 30, 2016*

*And Reports on Compliance and Internal Control*

**MECKLENBURG COUNTY, NORTH CAROLINA**

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

The Honorable Members of the Board of  
County Commissioners  
Mecklenburg County, North Carolina

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 Mecklenburg County, North Carolina (the "County"), for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated December 5, 2016. Our report includes a reference to another auditor, who audited the financial statements of the Mecklenburg County Alcoholic Beverage Control Board (the "ABC 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 the other auditor. The financial statements of the Mecklenburg Emergency Medical Services Agency (the "Agency") and the ABC 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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

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

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified a certain deficiency in internal control over financial reporting that we consider to be a material weakness. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

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

**Purpose of this Report**

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

Chemy Bekaert LLP

Raleigh, North Carolina  
December 5, 2016

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

The Honorable Members of the Board of  
County Commissioners  
Mecklenburg County, North Carolina

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

We have audited Mecklenburg County, North Carolina (the “County”), compliance with the types of compliance requirements described in the OMB *Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of the County’s major federal programs for the year ended June 30, 2016. 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; *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”) and the State Single Audit Implementation Act. Those standards, the Uniform Guidance, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County’s compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

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

**Opinion on Each Major Federal Program**

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2016.

## **Other Matters**

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2016-001, 2016-002, 2016-003, 2016-004, 2016-005, 2016-006, 2016-007, 2016-008, 2016-009, 2016-010, and 2016-011. Our opinion on each major federal 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, we considered the County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A *deficiency* in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal 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 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 2016-001, 2016-006, 2016-009, 2016-010 and 2016-011 that we consider to be significant deficiencies.

The County's responses 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.

## **Report on Schedule of Expenditures of Federal and State Awards Required by the Uniform Guidance**

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the County as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated December 5, 2016, which contained an unmodified opinion on those financial statements. We did not audit the financial statements of the Mecklenburg County ABC Board (the "Board"). Those financial statements were audited by other auditors whose reports thereon have been furnished to us and our opinion, 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 purposes of additional analysis as required by the Uniform Guidance and the State Single Audit Implementation Act and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic 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 basic financial statements taken as a whole.

### **Purpose of this Report**

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

*Chemy Bekaert LLP*

Raleigh, North Carolina  
December 5, 2016

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

The Honorable Members of the Board of  
County Commissioners  
Mecklenburg County, North Carolina

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

We have audited Mecklenburg 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, 2016. The County's major State programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

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

**Auditor's Responsibility**

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

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

**Opinion on Each Major State Programs**

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major State programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2016.

## **Other Matters**

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with applicable sections of the Uniform Guidance as described in the *Audit Manual for Governmental Auditors in North Carolina* and which are described in the accompanying schedule of findings and questioned costs as item 2016-001, 2016-002, 2016-003, 2016-004, 2016-005, 2016-006, 2016-007, 2016-008, 2016-009, 2016-010, 2016-011, and 2016-013. Our opinion on each major State program is not modified with respect to these matters.

The County's responses 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, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on a major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A *deficiency* in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a State program on a timely basis. A *material weakness* in internal control over compliance is a deficiency, or 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 the 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 2016-001, 2016-006, 2016-009, 2016-010, 2016-011, 2016-012, and 2016-013 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 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 Schedule of Expenditures of Federal and State Awards Required by the Uniform Guidance and the State Single Audit Implementation Act**

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the County as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated December 5, 2016, which contained an unmodified opinion on those financial statements. We did not audit the financial statements of the Mecklenburg County ABC Board (the "Board"). Those financial statements were audited by other auditors whose reports thereon have been furnished to us and our opinion, 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 purposes of additional analysis as required by the Uniform Guidance and the State Single Audit Implementation Act and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic 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 basic financial statements taken as a whole.

### **Purpose of this Report**

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

*Chemy Bekaert LLP*

Raleigh, North Carolina  
December 5, 2016

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

*YEAR ENDED JUNE 30, 2016*

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**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 the OMB Uniform Guidance?

yes  no

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

YEAR ENDED JUNE 30, 2016

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

Identification of major federal programs:

<u>CFDA#</u>	<u>Program Name</u>
	Medical Assistance
93.778	Administration
93.778	Expansion
93.778	Medical Transportation Administration
93.778	Medical Transportation Service
93.778	Adult Home Care
93.778	Adult Protective Services
93.778	Medicaid Direct Benefit Payments
93.767	North Carolina Health Choice
	Temporary Assistance for Needy Families
93.558	Foster Care Administration
93.558	Work First Administration
93.558	Work First Services
93.558	JOB Boost-SVC
93.558	JOB Boost-ADM
93.558	Temporary Assistance for Needy Families
93.560	County Issued Checks
93.558	Direct Benefit Payments
10.551	State Administrative Matching Grants for Food and Nutrition Services
14.218	Community Development Block Grant
93.667	Social Services Block Grant
97.029	Flood Mitigation Assistance Program
93.994	Maternal and Child Health Services Block Grant to the States
	Child Care Development Fund Cluster
93.575	Child Care and Development Block Grant
93.596	Child Care and Mandatory and Matching Funds of the Child Care and Development Fund

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

YEAR ENDED JUNE 30, 2016

**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 the Uniform Guidance 2 CFR 200.516(a) 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?

yes  no

State Awards

Internal control over major State programs:

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

Noncompliance material to State awards

yes  no

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

Any audit findings disclosed that are required to be  
 reported in accordance with the State Single Audit  
 Implementation Act

yes  no

Identification of major State programs:

Program Name

Juvenile Crime Prevention Programs

Other major State programs for Mecklenburg County are Medical Assistance, Temporary Assistance for Needy Families, Child Care Development Fund Cluster, Social Services Block Grant, Maternal and Child Health Services Block Grant, and North Carolina Health Choice are State matches on Federal programs. Therefore, these programs have been included in the list of major federal programs above.

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

YEAR ENDED JUNE 30, 2016

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**Section II. Financial Statement Findings**

None.

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

**Passed through the N.C. Department of Health and Human Services, Division of Social Services**  
**Program Name: Temporary Assistance for Needy Families**

**CFDA#: 93.558**

**Significant Deficiency and Nonmaterial Noncompliance – Eligibility**

**Finding 2016-001**

**Criteria or specific requirement:** In accordance with Work First Policy Manual Chapter 114: Income and Budgeting for Work First Family Assistance, Section I, Countable Income of Household Members, when increased earnings are reported timely, the caseworker must determine the impact of the increased earnings on the household's cash assistance payment.

**Condition:** Out of the 60 eligibility case files selected for testing, there was one instance in which the participant did not meet the Work First income limitations.

**Context:** Selected 60 case files for testing.

**Questioned Costs:** \$236. The total of all claims paid to the applicable participant during the current year.

**Effect:** The participant received 3 months of benefit payments after they reported an increase in earnings, which resulted in the participant no longer being eligible for cash assistance.

**Cause:** Impact of increased earnings was not determined in a timely manner.

**Recommendation:** Mecklenburg County should implement a review process to ensure that the impact of reported changes in earnings on the cash assistance payment is evaluated in a timely manner.

**Views of responsible officials:** Department of Social Services Management agrees that additional policies and procedures are required and need to be enforced to ensure that case files are processed and maintained appropriately.

**Corrective Action Plan:** Economic Services has implemented a proxy box notification and tracking system for reported changes to ensure that information is shared between the Employment Social Worker and the case worker in a timely and efficient manner. Effective 11/1/16, they are modifying the process to include supervisor notification of reported changes at the initial report to ensure actions are completed timely. Doing this will allow the eligibility supervisors to monitor the completion of the change and will also allow the Employment Social Work supervisors ensure the notices are sent timely. Both supervisor sets will also meet with their teams to remind them of the deadlines for reporting and acting on changes, how the workers will be held accountable, and of the new follow-up measures put in place.

Implementation Date: Modified process and team meetings will be implemented on/before 11/1/16.

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

YEAR ENDED JUNE 30, 2016

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**Section III. Federal Awards Findings and Questioned Costs (continued)**

**U.S. Department of Health and Human Services**  
**Passed through N.C. Department of Health and Human Services, Division of Social Services**  
**Program Name: Medical Assistance**  
**CFDA#: 93.778**  
**Nonmaterial Noncompliance – Eligibility**  
**Finding 2016-002**

**Criteria or specific requirement:** At the time of each initial application or annual redetermination of benefits for Medical Assistance, citizenship/identity for the participant should be verified and documented by the social worker in order to determine if the participant is eligible to receive benefits.

**Condition:** Out of the 60 case files selected for testing, there was one instance in which the participant's citizenship/identity was not verified and documented.

**Context:** Selected 60 case files for testing.

**Questioned Costs:** None. We were able to determine that the participants were still eligible, even though citizenship documentation not present in the file.

**Effect:** By not having the required supporting documentation on file, eligibility cannot be readily substantiated and there is a risk that the County could have provided benefits to individuals who are not eligible. The participant of the Medical Assistance Program could have potentially been receiving benefits when they were ineligible.

**Cause:** Citizenship/Identity verification was not completed during the initial eligibility or review determination or was completed and subsequently misplaced.

**Recommendation:** Mecklenburg County should revise the review process to ensure proper supporting documentation of eligibility is maintained within each case file.

**Views of responsible officials:** Department of Social Services Management agrees that policies and procedures are required and need to be enforced to ensure that case files are maintained appropriately

**Corrective Action Plan:**

- Economic Services Quality and Training staff will share the case error with the worker and their supervisor to ensure understanding of the program verification requirements.
- Economic Services Quality and Training staff will continue to internally audit records and interviews of eligibility staff during the year and provide feedback to Economic Services management, supervisors and staff.
- Quality Expectations were added to the work plans of the workers and will help ensure staff are held accountable for their results.

**Implementation Date:** Q&T implemented full and expanded record checking for all staff effective July 2016. All program functions will be reviewed and this process will continue throughout FY17. Results will be reported monthly and quarterly with follow-up by the supervisors for their staff. Refresher training will also be held to follow-up on any identified trends. For this particular error, the feedback will be shared with the worker and supervisor on/before 11/1/16.

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

YEAR ENDED JUNE 30, 2016

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**Section III. Federal Awards Findings and Questioned Costs (continued)**

**U.S. Department of Health and Human Services**  
**Passed through N.C. Department of Health and Human Services, Division of Social Services**  
**Program Name: Medical Assistance**  
**CFDA#: 93.778**  
**Nonmaterial Noncompliance – Eligibility**  
**Finding 2016-003**

**Criteria or specific requirement:** At the time of each initial application or annual redetermination of benefits for Medical Assistance, income for the participant should be verified and documented and a budget should be calculated correctly by the social worker in order to determine if the participant is eligible to receive benefits.

**Condition:** Out of the 60 case files selected for testing, there was one instance in which the participant's income was not verified and documented and/or the budgets were not completed in the case file.

**Context:** Selected 60 case files for testing.

**Questioned Costs:** None. We were able to determine that the clients were still eligible, even though evidence that income was verified and the budget was not present in the file.

**Effect:** By not having the required supporting documentation on file, eligibility cannot be readily substantiated and there is a risk that the County could have provided benefits to individuals who are not eligible. The two participants of the Medical Assistance Program could have potentially been receiving benefits when they were ineligible.

**Cause:** The income verification and budget were not completed during the initial eligibility or review determination or was completed and subsequently misplaced.

**Recommendation:** Mecklenburg County should revise the review process to ensure proper supporting documentation of eligibility is maintained within each case file.

**Views of responsible officials:** Department of Social Services Management agrees that policies and procedures are required and need to be enforced to ensure that case files are maintained appropriately.

**Corrective Action Plan:**

- Economic Services Quality and Training staff will share the case error with the worker and their supervisor to ensure understanding of the program verification requirements.
- Economic Services Quality and Training staff will continue to internally audit records and interviews of eligibility staff during the year and provide feedback to Economic Services management, supervisors and staff.
- Quality Expectations were added to the work plans of the workers and will help ensure staff are held accountable for their results.

**Implementation Date:** Q&T implemented full and expanded record checking for all staff effective July 2016. All program functions will be reviewed and this process will continue throughout FY17. Results will be reported monthly and quarterly with follow-up by the supervisors for their staff. Refresher training will also be held to follow-up on any identified trends. For this particular error, the feedback will be shared with the worker and supervisor on/before 11/1/16.

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

YEAR ENDED JUNE 30, 2016

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**Section III. Federal Awards Findings and Questioned Costs (continued)**

**U.S. Department of Health and Human Services**  
**Passed through N.C. Department of Health and Human Services, Division of Social Services**  
**Program Name: Medical Assistance**  
**CFDA#: 93.778**  
**Nonmaterial Noncompliance – Eligibility**  
**Finding 2016-004**

**Criteria or specific requirement:** In accordance with Family and Children’s Medicaid Policy Manual Chapter 3515 and Adult Medicaid Policy Manual Chapter 2430, automated income and resource matches must be completed and documented in the case file for each initial application and redetermination.

**Condition:** Out of the 60 case files selected for testing, there were four instances in which there were no automated income and resource matches completed and documented in the file as required.

**Context:** Selected 60 case files for testing.

**Questioned Costs:** None. We were able to determine that the clients were still eligible, even though evidence that automated income and resource matches were not present in the file.

**Effect:** By not having the required supporting documentation on file, eligibility cannot be readily substantiated and there is a risk that the County could have provided benefits to individuals who are not eligible. The four participants of the Medical Assistance Program could have potentially been receiving benefits when they were ineligible.

**Cause:** The automated income and resource matches were not completed and documented during the initial eligibility or review determination or was completed and subsequently misplaced.

**Recommendation:** Mecklenburg County should revise the review process to ensure proper supporting documentation of eligibility is maintained within each case file.

**Views of responsible officials:** Department of Social Services Management agrees that policies and procedures are required and need to be enforced to ensure that case files are maintained appropriately.

**Corrective Action Plan:**

- Economic Services Quality and Training staff will share the case error with the workers and their supervisors to ensure understanding of the program verification requirements.
- Policy reminders were also previously sent to staff in regards to the completion of hits on 11/15/15 and 4/4/16.
- Economic Services Quality and Training staff will continue to internally audit records and interviews of eligibility staff during the year and provide feedback to Economic Services management, supervisors and staff.
- Quality Expectations were added to the work plans of the workers and will help ensure staff are held accountable for their results.

**Implementation Date:** Q&T implemented full and expanded record checking for all staff effective July 2016. All program functions will be reviewed and this process will continue throughout FY17. Results will be reported monthly and quarterly with follow-up by the supervisors for their staff. Refresher training will also be held to follow-up on any identified trends. For this particular error, the feedback will be shared with the workers and supervisors on/before 11/1/16.

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

YEAR ENDED JUNE 30, 2016

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**Section III. Federal Awards Findings and Questioned Costs (continued)**

**U.S. Department of Health and Human Services**

**Passed through N.C. Department of Health and Human Services, Division of Social Services**

**Program Name: Medical Assistance**

**CFDA#: 93.778**

**Nonmaterial Noncompliance – Eligibility**

**Finding 2016-005**

**Criteria or specific requirement:** In accordance with Adult Medicaid Policy Manual Chapter 2230, Section II, verification of personal and real property assets should be verified at each of the following: application date, redetermination, if there is a change in situation, or if the appeal reverses. There should be documentation that tax records and Register of Deeds was checked to verify whether the individual owns real property.

**Condition:** Out of the 60 case files selected for testing, there were two instances in which the appropriate verification of real property documentation was not maintained in the case files.

**Context:** Selected 60 case files for testing.

**Questioned Costs:** None. We were able to determine that the clients were still eligible, even though the verification of real property was not present in the file.

**Effect:** By not having the required supporting documentation on file, eligibility cannot be readily substantiated and there is a risk that the County could have provided benefits to individuals who are not eligible. The two participants of the Medical Assistance Program could have potentially been receiving benefits when they were ineligible.

**Cause:** Verification of real property was either not completed during the application date, during the review determination or was subsequently misplaced.

**Recommendation:** Mecklenburg County should revise the review process to ensure proper supporting documentation for eligibility determination is maintained within each case file.

**Views of responsible officials:** Department of Social Services Management agrees that policies and procedures are required and need to be enforced to ensure that case files are maintained appropriately.

**Corrective Action Plan:**

- Economic Services Quality and Training staff will share the case error with the workers and their supervisors to ensure understanding of the program verification requirements.
- Policy reminders were also previously sent to staff in regards to the completion of hits on 11/15/15 and 4/4/16.
- Economic Services Quality and Training staff will continue to internally audit records and interviews of eligibility staff during the year and provide feedback to Economic Services management, supervisors and staff.
- Quality Expectations were added to the work plans of the workers and will help ensure staff are held accountable for their results.

**Implementation Date:** Q&T implemented full and expanded record checking for all staff effective July 2016. All program functions will be reviewed and this process will continue throughout FY17. Results will be reported monthly and quarterly with follow-up by the supervisors for their staff. Refresher training will also be held to follow-up on any identified trends. For this particular error, the feedback will be shared with the workers and supervisors on/before 11/1/16.

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

YEAR ENDED JUNE 30, 2016

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**Section III. Federal Awards Findings and Questioned Costs (continued)**

**U.S. Department of Health and Human Services**

**Passed through N.C. Department of Health and Human Services, Division of Social Services**

**Program Name: Medical Assistance**

**CFDA#: 93.778**

**Significant Deficiency and Nonmaterial Noncompliance – Eligibility**

**Finding 2016-006**

**Criteria or specific requirement:** In accordance with Family and Children's Medicaid Policy Manual Chapter 3420, a redetermination should be completed every 12 months and documented in the case file.

**Condition:** Out of the 60 case files selected for testing, there was one instance in which there was not a redetermination completed or documented in the file.

**Context:** Selected 60 case files for testing.

**Questioned Costs:** The known questioned cost was \$833.96. This is the amount of claims paid on behalf of the ineligible participant.

**Effect:** By not completing the required redetermination, eligibility cannot be readily substantiated and there is a risk that the County could have provided benefits to individuals who are not eligible. The participant of the Medical Assistance Program could have potentially been receiving benefits when they were ineligible.

**Cause:** The redeterminations were not completed in a timely manner and kept in the case file.

**Recommendation:** Mecklenburg County should revise the review process to ensure redeterminations are completed in a timely manner and properly documented and maintained in the case file.

**Views of responsible officials:** Department of Social Services Management agrees that policies and procedures are required and need to be enforced to ensure that case files are maintained appropriately.

**Corrective Action Plan:**

- Economic Services Division, with guidance and support from the state, implemented an aggressive strategy called "Accelerated Processing Labs", to resolve all Family and Children's Medicaid redetermination backlog issues by 12/31/16. Managers, supervisors, and staff monitor processing lists and increased expectations daily to meet the goals.
- Economic Services Quality and Training staff will internally audit records and interviews of eligibility staff during the year and provide feedback to Economic Services management, supervisors and staff.
- Economic Services Quality and Training staff will share the case error with the worker and their supervisor to ensure understanding of the program requirements.
- Quality Expectations were added to the work plans of the workers and will help ensure staff are held accountable for their results.

**Implementation Date:** Q&T implemented full and expanded record checking for all staff effective July 2016. All program functions will be reviewed and this process will continue throughout FY17. Results will be reported monthly and quarterly with follow-up by the supervisors for their staff. Refresher training will also be held to follow-up on any identified trends. For this particular error, the feedback will be shared with the worker and supervisor on/before 11/1/16. The Accelerated Processing Labs were put into place 9/12/16 and will continue through 12/31/16 or until all reviews are current, whichever is later.

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

YEAR ENDED JUNE 30, 2016

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**Section III. Federal Awards Findings and Questioned Costs (continued)**

**U.S. Department of Health and Human Services**  
**Passed through N.C. Department of Health and Human Services, Division of Social Services**  
**Program Name: Children's Health Insurance Program**  
**CFDA#: 93.767**  
**Nonmaterial Noncompliance – Eligibility**  
**Finding 2016-007**

**Criteria or specific requirement:** At the time of each initial application or annual redetermination of benefits for Children's Health Insurance Program participants, income for the participant should be verified and documented and a budget should be calculated correctly by the social worker in order to determine if the participant is eligible to receive benefits.

**Condition:** Out of the 60 case files selected for testing, there were two instances in which the participant's income was not verified and documented and/or the budgets were not completed in the case file.

**Context:** Selected 60 case files for testing.

**Questioned Costs:** None. Participants were determined to be eligible.

**Effect:** By not having the required supporting documentation on file, eligibility cannot be readily substantiated and there is a risk that the County could have provided benefits to individuals who are not eligible. The three participants of the Medical Assistance Program could have potentially been receiving benefits when they were ineligible.

**Cause:** The income verification and budget were not completed during the initial eligibility or review determination or was completed and subsequently misplaced.

**Recommendation:** Mecklenburg County should revise the review process to ensure proper supporting documentation of eligibility is maintained within each case file.

**Views of responsible officials:** Department of Social Services Management agrees that policies and procedures are required and need to be enforced to ensure that case files are maintained appropriately.

**Corrective Action Plan:**

- Economic Services Quality and Training staff will share the case error with the workers and their supervisors to ensure understanding of the program verification requirements.
- Economic Services Quality and Training staff will continue to internally audit records and interviews of eligibility staff during the year and provide feedback to Economic Services management, supervisors and staff.
- Quality Expectations were added to the work plans of the workers and will help ensure staff are held accountable for their results.

**Implementation Date:** Q&T implemented full and expanded record checking for all staff effective July 2016. All program functions will be reviewed and this process will continue throughout FY17. Results will be reported monthly and quarterly with follow-up by the supervisors for their staff. Refresher training will also be held to follow-up on any identified trends. For this particular error, the feedback will be shared with the workers and supervisors on/before 11/1/16.

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

YEAR ENDED JUNE 30, 2016

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**Section III. Federal Awards Findings and Questioned Costs (continued)**

**U.S. Department of Health and Human Services**  
**Passed through N.C. Department of Health and Human Services, Division of Social Services**  
**Program Name: Children's Health Insurance Program**  
**CFDA#: 93.767**  
**Nonmaterial Noncompliance – Eligibility**  
**Finding 2016-008**

**Criteria or specific requirement:** In accordance with Family and Children's Medicaid Policy Manual Chapter 3515 and Adult Medicaid Policy Manual Chapter 2430, automated income and resource matches must be completed and documented in the case file for each initial application and redetermination.

**Condition:** Out of the 60 case files selected for testing, there was one instance in which there were no automated income and resource matches completed and documented in the file as required.

**Context:** Selected 60 case files for testing.

**Questioned Costs:** None. Participants were determined to be eligible.

**Effect:** By not having the required supporting documentation on file, eligibility cannot be readily substantiated and there is a risk that the County could have provided benefits to individuals who are not eligible. The participant of the Medical Assistance Program could have potentially been receiving benefits when they are ineligible.

**Cause:** The automated income and resource matches were not completed and documented during the initial eligibility or review determination or was completed and subsequently misplaced.

**Recommendation:** Mecklenburg County should revise the review process to ensure proper supporting documentation of eligibility is maintained within each case file.

**Views of responsible officials:** Department of Social Services Management agrees that policies and procedures are required and need to be enforced to ensure that case files are maintained appropriately.

**Corrective Action Plan:**

- Economic Services Quality and Training staff will share the case error with the worker and their supervisor to ensure understanding of the program verification requirements.
- Policy reminders were also previously sent to staff in regards to the completion of hits on 11/15/15 and 4/4/16.
- Economic Services Quality and Training staff will continue to internally audit records and interviews of eligibility staff during the year and provide feedback to Economic Services management, supervisors and staff.
- Quality Expectations were added to the work plans of the workers and will help ensure staff are held accountable for their results.

**Implementation Date:** Q&T implemented full and expanded record checking for all staff effective July 2016. All program functions will be reviewed and this process will continue throughout FY17. Results will be reported monthly and quarterly with follow-up by the supervisors for their staff. Refresher training will also be held to follow-up on any identified trends. For this particular error, the feedback will be shared with the worker and supervisor on/before 11/1/16.

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

YEAR ENDED JUNE 30, 2016

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**Section III. Federal Awards Findings and Questioned Costs (continued)**

**U.S. Department of Health and Human Services**

**Passed through N.C. Department of Health and Human Services, Division of Social Services**

**Program Name: Children's Health Insurance Program**

**CFDA#: 93.767**

**Significant Deficiency and Nonmaterial Noncompliance – Eligibility**

**Finding 2016-009**

**Criteria or specific requirement:** In order to meet the income criteria for eligibility for the Children's Health Insurance Program, participants must meet the 2016 Federal Poverty Level Guidelines at the time of each redetermination.

**Condition:** Out of the 60 case files selected for testing, there was one instance in which the participant did not meet the Children's Health Insurance Program income limitations.

**Context:** Selected 60 case files for testing.

**Questioned Costs:** The known questioned cost was \$669.20. This is the amount of claims paid for the year on behalf of the ineligible participant.

**Effect:** By not properly determining an applicant's program eligibility, the County determined the individual to be eligible for the Children's Health Insurance program when the participant was ineligible based on income.

**Cause:** The social worker misclassified the participant as eligible for Children's Health Insurance Program benefits.

**Recommendation:** Mecklenburg County should ensure social workers correctly determine program eligibility for individuals at the time of redetermination.

**Views of responsible officials:** Department of Social Services Management agrees that policies and procedures are required and need to be enforced to ensure that case files are maintained appropriately.

**Corrective Action Plan:**

- Economic Services Quality and Training staff will share the case error with the worker and their supervisor to ensure understanding of the program verification requirements.
- Economic Services Quality and Training staff will continue to internally audit records and interviews of eligibility staff during the year and provide feedback to Economic Services management, supervisors and staff.
- Quality Expectations were added to the work plans of the workers and will help ensure staff are held accountable for their results.

**Implementation Date:** Q&T implemented full and expanded record checking for all staff effective July 2016. All program functions will be reviewed and this process will continue throughout FY17. Results will be reported monthly and quarterly with follow-up by the supervisors for their staff. Refresher training will also be held to follow-up on any identified trends. For this particular error, the feedback will be shared with the worker and supervisor on/before 11/1/16.

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

YEAR ENDED JUNE 30, 2016

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**Section III. Federal Awards Findings and Questioned Costs (continued)**

**U.S. Department of Health and Human Services**

**Passed through N.C. Department of Health and Human Services, Division of Social Services**

**Program Name: Children's Health Insurance Program**

**CFDA#: 93.767**

**Significant Deficiency and Nonmaterial Noncompliance – Eligibility**

**Finding 2016-010**

**Criteria or specific requirement:** In order to meet the income criteria for eligibility for the Children's Health Insurance Program, participants must meet the Federal Poverty Level Guidelines at the time of each redetermination.

**Condition:** Out of the 60 case files selected for testing, there was one instance in which the participant did not meet the Children's Health Insurance Program income limitations, but was found eligible for benefits.

**Context:** Selected 60 case files for testing.

**Questioned Costs:** \$2.50

**Effect:** By not meeting the income eligibility limits at the time of redetermination, eligibility cannot be readily substantiated and therefore, the County provided funding to individuals who are not eligible. The participant of the Children's Health Insurance Program received funding in which they were ineligible.

**Cause:** The social worker approved the participant for the Children's Health Insurance Program benefits when they did not meet the Federal Poverty Level Guidelines.

**Recommendation:** Mecklenburg County should ensure social workers are using the most recent Federal Poverty Level Guidelines at the time of redetermination

**Views of responsible officials:** Department of Social Services Management agrees that policies and procedures are required and need to be enforced to ensure that case files are maintained appropriately.

**Corrective Action Plan:**

- Economic Services Quality and Training staff will share the case error with the worker and their supervisor to ensure understanding of the program verification requirements.
- Economic Services Quality and Training staff will continue to internally audit records and interviews of eligibility staff during the year and provide feedback to Economic Services management, supervisors and staff.
- Quality Expectations were added to the work plans of the workers and will help ensure staff are held accountable for their results.

**Implementation Date:** Q&T implemented full and expanded record checking for all staff effective July 2016. All program functions will be reviewed and this process will continue throughout FY17. Results will be reported monthly and quarterly with follow-up by the supervisors for their staff. Refresher training will also be held to follow-up on any identified trends. For this particular error, the feedback will be shared with the worker and supervisor on/before 11/1/16.

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

*YEAR ENDED JUNE 30, 2016*

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**U.S. Department of Health and Human Services**  
**Passed through N.C. Department of Health and Human Services**  
**Program Name: Maternal and Child Health Services Block Grant to States**  
**CFDA# 93.994**  
**Significant Deficiency and Nonmaterial Noncompliance – Allowable Activities**  
**Finding 2016-011**

**Criteria or specific requirement:** Funds may only be expended for activities outlined as allowable in the applicable Compliance Supplements and Agreement Addendums.

**Condition:** Out of the 40 expenditures selected for testing, there was one instance in which the expenditure was made for activities which were not allowable under the applicable Agreement Addendum.

**Context:** Selected 40 expenditures for testing.

**Questioned Costs:** \$876.70

**Effect:** The County was reimbursed for an expenditure that was not allowable per the applicable Agreement Addendum.

**Cause:** The charge was coded incorrectly using the grant expense general ledger coding when the payment was processed.

**Recommendation:** Mecklenburg County should revise the review process to ensure that all expenditures are correctly coded when processed for payment.

**Views of responsible officials:** The Financial Services Department concurs with this finding and acknowledges the coding error for this payment.

**Corrective Action Plan:** Financial Services will evaluate current policies and procedures for coding and review of travel charges and make revisions as necessary to ensure expenses are coded correctly. Financial Services will provide refresher training with employees responsible for coding and reviewing travel charges to ensure that the established procedures are followed and minimize the potential for errors. Financial Services will review procedures for submission of expenses for reimbursement and make necessary revisions to avoid future errors.

# MECKLENBURG COUNTY, NORTH CAROLINA

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2016

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

**Findings 2016-001 2016-002, 2016-003, 2016-004, 2016-005, 2016-006, 2016-007, 2016-008, 2016-009, 2016-010 and 2016-011 as listed in Section III Federal Award findings are also considered to be State findings.**

**Department of Health and Human Services  
DSS Crosscutting  
Significant Deficiency – Allowable Costs/Costs Principles and Reporting  
Finding 2016-012**

**Criteria or specific requirement:** Each employee's total day sheets for a month should agree to the monthly Percentage of Time Report submitted to the State for that same month.

**Condition:** Out of the 60 employees selected for testing, we noted five instances in which the employee's day sheet for a month chosen did not agree to the Percentage of Time Report submitted to the State for that same month.

**Context:** Selected 60 day sheets for testing

**Questioned Costs:** None. All of the employee's time was still reimbursable under Part I of the DSS-1571. There is a risk that the employee time was not accurately transferred to the correct funding source.

**Effect:** Employee day sheets do not agree to the Percentage of Time Report, causing the employee's time reported to the State to be inaccurate.

**Cause:** October ESD day sheet data was uploaded before the cutoff for September data resulting in an override of the September day sheet data within the system.

**Recommendation:** Mecklenburg County should have policies in place to ensure that employee day sheets agree to the Percentage of Time Report submitted to the State. Mecklenburg should also have processes in place to ensure that data is not uploaded before the cutoff for the previous month.

**Views of responsible officials:** Department of Social Services Management concurs that accurate reporting of day sheets is required for accurate reimbursement from the correct funding source.

**Corrective Action Plan:**

As a result of this error, the following quality controls have been implemented:

- DSS staff met with Departmental Finance Services staff on 8/17/16 to discuss communication strategies between the two departments to better position the two groups to identify potential upload issues in the future.
- The Compliance Support and Information Services team (CSIS) has assigned a team member to monitor all day sheet uploads for discrepancies during the upload process. This person also reviews the Day Sheet Batch Error Report, and contacts DSS staff regarding errors so that manual corrections may be submitted after the upload process is complete each month.
- Training provided to the staff person responsible for uploading Economic Services day sheet data to ensure she is knowledgeable of deadlines.
- Mecklenburg County Information Technology Department is launching a project to create a stand-alone day sheet application for all DSS staff, which will afford opportunities to centralize the upload process. Project kicks off in November 2016.

# MECKLENBURG COUNTY, NORTH CAROLINA

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2016

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**N.C. Department of Public Safety  
Juvenile Crime Prevention Programs  
Significant Deficiency and Nonmaterial Noncompliance – Allowable Costs/Costs Principles  
Finding 2016-013**

**Criteria or specific requirement:** Only services as outlined in the Program Agreement or the current approved Program Agreement Revision which are designed to remediate or prevent problem behavior, are allowable.

**Condition:** Out of the twelve payments selected for testing, we noted one instance in which the entire selected amount expended by the Program was not substantiated. The applicable Program invoiced the County too much in error and the County reimbursed the program for the entire requested amount.

**Context:** Selected twelve program expenditures for testing. Invoices are submitted by each Program to the County for reimbursement.

**Questioned Costs:** \$85.40 which is the total overcharged by the Program for the selected expenditure.

**Effect:** The County reimbursed the applicable Program for expenditures which were not determined to be allowable under the Program.

**Cause:** County oversight.

**Recommendation:** Mecklenburg County should revise the review process to ensure that all program expenditures are substantiated and are allowable.

**Views of responsible officials:** Criminal Justice Services (CJS)– Business Management Division acknowledges the oversight committed during the prior year review of reimbursement requests. Measures will be taken to avoid further oversight.

**Corrective Action Plan:** CJS staff will implement new processes and procedures utilizing the North Carolina Department of Public Juvenile Crime Prevention Programs Policy, Requirements and Procedures document to ensure there is a complete understanding of requirements. Staff will complete a thorough review of all reimbursement requests. A checklist will be created to minimize errors on part of the reviewers. The following steps will be taken: 1) review of all back-up documentation, 2) ensure expenses are substantiated and allowable and 3) verify expenses are coded correctly.

**MECKLENBURG COUNTY, NORTH CAROLINA**  
**SUMMARY OF PRIOR YEAR FINDINGS**

*FOR THE YEAR ENDED JUNE 30, 2016*

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**Finding: 2015-001**

Status: Completed

**Finding: 2015-002**

Status: Completed

**Finding: 2015-003**

Status: Completed

**Finding: 2015-004**

Status: Completed

**Finding: 2015-005**

Status: Completed

**Finding: 2015-006**

Status: Completed

**Finding: 2015-007**

Status: Completed

**Finding: 2015-008**

Status: Repeated

**Finding: 2015-009**

Status: Repeated

**Finding: 2015-010**

Status: Repeated

**Finding: 2015-011**

Status: Completed

**Finding: 2015-012**

Status: Repeated

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

*YEAR ENDED JUNE 30, 2016*

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**Finding: 2015-013**

Status: Completed

**Finding: 2015-014**

Status: Completed

**Finding: 2015-015**

Status: Repeated

**Mecklenburg County, North Carolina**  
**Schedule of Expenditures of Federal and State Financial Awards**  
**For the Year Ended June 30, 2016**

Grantor/Program Title	Federal CFDA Number	Direct and Pass-Through Grantor's Number	Fed. (Direct and Pass Through) Expenditures	State Expenditures	Passed-Through to Subrecipients	Local Expenditures	Total
<b>Federal Awards:</b>							
<b>U.S. Department of Health and Human Services:</b>							
Passed-Through N.C. Duke SAMHSA	93.243	13-SAMHSA-1060	\$ 195,934	\$ -	\$ -	\$ -	\$ 195,934
Passed-Through Centralina Council of Governments:							
Aging Cluster:							
Nutrition Project for the Elderly Title III-B	93.044		1,461,766	395,297	-	162,674	2,019,737
Nutrition Project for the Elderly Title III-C	93.045		850,528	278,450	-	94,503	1,223,481
Nutrition Project for the Elderly Title III-E	93.052		-	168,230	-	-	168,230
SSBG	93.667		704,084	185,661	-	76,404	966,149
Total Aging Cluster			<u>3,016,378</u>	<u>1,027,638</u>	<u>-</u>	<u>333,581</u>	<u>4,377,597</u>
Passed-Through N.C. Department of Health and Human							
Services - Division of Social Services:							
Child Support Enforcement	95.563		6,985,124	557,177	-	-	7,542,301
Permanency Planning - Regular	93.645		-	-	-	3,275,251	3,275,251
Permanency Planning FC Admin/Svc	93.645		771,358	-	-	1,094,712	1,866,070
Permanency Planning Adopt Admin/Svc	93.645		24,407	-	-	8,136	32,543
Total Division of Social Services			<u>7,780,889</u>	<u>557,177</u>	<u>-</u>	<u>4,378,099</u>	<u>12,716,165</u>
Temporary Assistance for Needy Families:							
Foster Care Administration	93.558		-	-	-	326,293	326,293
Family Reunification	93.556		29,985	-	-	-	29,985
Work First Administration	93.558		466	-	-	3,539,850	3,540,316
Work First Services	93.558		2,403	-	-	11,635,210	11,637,613
TANF Svc /Admin Child Protective	93.558		6,153,594	-	-	520,142	6,673,736
TANF Svc/Admin Foster Care	93.558		708,818	-	-	165,895	874,713
TANF Other	93.558		797,268	-	-	-	797,268
Work First NR			-	-	-	1,234,167	1,234,167
Direct Benefit Payments:							
County Issued Checks	93.560		(2,011)	(551)	-	(551)	(3,113)
Direct Benefit Payments	93.558		5,820,025	(39)	-	8,676	5,828,662
Total Temporary Assistance for Needy Families			<u>13,510,548</u>	<u>(590)</u>	<u>-</u>	<u>17,429,682</u>	<u>30,939,640</u>
Refugee Assistance Program:							
Administration	93.566		123,778	-	-	-	123,778
Direct Benefit Payments	93.566		370,230	-	-	-	370,230
Total Refugee Assistance Program			<u>494,008</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>494,008</u>
Low Income Home Energy Block Grant:							
Administration	93.568		601,165	-	-	470,899	1,072,064
Crisis Intervention	93.568		3,289,775	-	-	-	3,289,775
Energy Neighbors			-	629	-	-	629
Direct Benefit Payments	93.568		1,503,900	-	-	-	1,503,900
Total Low Income Home Energy Block Grant			<u>5,394,840</u>	<u>629</u>	<u>-</u>	<u>470,899</u>	<u>5,866,368</u>
Passed-Through N.C. Department of Health and Human							
Services - Division of Social Services:							
LINKS	93.674		172,257	43,064	-	355,580	570,901
LINKS - Independent Living	93.674		44,311	-	-	-	44,311
In-Home Services	93.667		123,987	-	-	270,888	394,875
Refugee Health	93.576		79,971	-	-	-	79,971
Temporary Assistance for Needy Families/AFDC	93.558		(3,724)	10,255	-	-	6,531
NCEL Incentive	93.558		161	-	-	-	161
DOR/TOP Incentive	93.558		107,460	-	-	-	107,460
Social Services Block Grant	93.667		520,592	153,341	-	4,297,827	4,971,760
Adult Day Care	93.667		90,831	228,784	-	275,847	595,462
Adult Pro SVC	93.667		190,125	-	-	63,375	253,500
Adult Day Care Over 60	93.667		371,477	203,251	-	82,104	656,832
TNF to SSBG Adopt/FC	93.667		280,180	-	-	145,984	426,164
House & Hme Imp SSBG	93.667		685	-	-	98	783
TRNS Adlt S/M HM 18	93.667		9,600	-	-	3,200	12,800
SSBG Other Services and Training	93.667		792,110	3,321	-	2,237,077	3,032,508
Temporary Assistance for Needy Families/AFDC	93.558		113,405	-	-	-	113,405
Total DHH/DSS			<u>2,893,428</u>	<u>642,016</u>	<u>-</u>	<u>7,731,980</u>	<u>11,267,424</u>
Administration			<u>20,772,427</u>	<u>-</u>	<u>-</u>	<u>7,269,278</u>	<u>28,041,705</u>
Total Medical Assistance			<u>20,772,427</u>	<u>-</u>	<u>-</u>	<u>7,269,278</u>	<u>28,041,705</u>

**Mecklenburg County, North Carolina**  
**Schedule of Expenditures of Federal and State Financial Awards**  
**For the Year Ended June 30, 2016**

Grantor/Program Title	Federal	Direct and	Fed. (Direct and	State	Passed-Through	Local	Total
	CFDA	Pass-Through	Pass Through)	Expenditures	to	Expenditures	
	Number	Grantor's	Expenditures	Expenditures	Subrecipients	Expenditures	
Federal Awards (continued)							
Medical Transportation Administration	93.778		985,318	-	-	985,318	1,970,636
Medical Transportation Service	93.778		209,195	106,984	-	-	316,179
Adult Home Care	93.778		233,560	42,961	-	190,599	467,120
S/C Spec Assistance	93.778		355	-	-	355	710
North Carolina Health Choice	93.767		8,491,895	378,942	-	3,605	8,874,442
Foster Care and Adoption Cluster:							
Title IV-E Child Protective Services	93.658		1,216,813	241,426	-	529,559	1,987,798
Title IV-E Optional Administration	93.658		2,614,578	-	-	2,877,435	5,492,013
Title IV-E State Adoption/Foster Care	93.658		113,727	(115,701)	-	15,071	13,097
IV-E Adoption Subsidy	93.659		221,323	-	-	328,654	549,977
TEA Maximization	93.558		-	-	-	-	-
Family Finding/FC Visits	93.556		44,841	-	-	-	44,841
NR Adoption	-		-	-	-	52,743	52,743
Foster Care And Adoption Direct Benefit Payments:							
IV-E Foster Care	93.658		1,956,594	674,100	-	674,102	3,304,796
IV-E Foster Care HIV	93.658		1,463	2,358	-	-	3,821
IV-E Maximization	93.658		17,611	-	-	9,007	26,618
IV-E Adoption Subsidy	93.659		4,276,612	1,094,101	-	1,134,394	6,505,107
Total Foster Care and Adoption Cluster			10,463,562	1,896,284	-	5,620,965	17,980,811
Passed-Through N.C. Department of Health and Human Services -							
Subsidized Child Care:							
Child Care Development Fund Cluster:							
CCDF - Administration	93.596		1,031,011	480,156	1,511,167	-	1,511,167
CCDF - Discretionary	93.575		21,900,273	-	21,900,273	-	21,900,273
CCDF - Mandatory	93.596		6,045,097	-	6,045,097	-	6,045,097
CCDF - Match	93.596		2,587,703	880,804	3,468,507	-	3,468,507
Total Child Care Fund Cluster			31,564,084	1,360,960	32,925,044	-	32,925,044
Foster Care Title IV-E (K5)	93.658		518,216	265,222	783,438	-	783,438
Temporary Assistance for Needy Families	93.558		5,447,654	-	5,447,654	-	5,447,654
Smart Start	-		-	60,190	60,190	-	60,190
State Appropriations	-		-	930,203	930,203	-	930,203
TANF - MOE	-		-	5,506,627	5,506,627	-	5,506,627
Total Subsidized Child Care Cluster			37,529,954	8,123,202	45,653,156	-	45,653,156
Ryan White Program	93.914	2-HA89HA11434-08-0	1,129,540	-	1,129,540	-	1,129,540
Minority Aids Initiative Programs for Part A Grantees	93.914	2-HA89HA11434-08-0	101,739	-	101,739	-	101,739
Ryan White Program	93.914	2-H89HA11434-07-00	4,255,171	-	4,255,171	-	4,255,171
Minority Aids Initiative Programs for Part A Grantees	93.914	2-H89HA11434-07-00	292,847	-	292,847	-	292,847
Passed-Through N.C. Department of Health and Human Services - Division of Public Health:							
Project Grants and Cooperative Agreements							
for Tuberculosis Control Programs	93.116		48,102	-	-	-	48,102
Infant and Toddlers Disabilities	84.181		531,854	-	-	-	531,854
Injury Prev & Control Research - State/Community	93.136		2,989	-	-	-	2,989
HPPP/PHEP	93.074		19,000	-	-	-	19,000
Public Health Emergency Preparedness	93.069		107,677	-	-	-	107,677
Immunization Program	93.268		121,568	-	-	-	121,568
Natl Based Tobacco Control Programs	93.305		84,866	-	-	-	84,866
CDC/Prev Investigation & Tech Asst	93.283		13,957	-	-	-	13,957
Coop Agmt for Breast & Cervical Cancer	93.919		117,172	-	-	-	117,172
Family Planning	93.217		201,616	-	-	-	201,616
HIV Prevention Activities Health Dept Based	93.940		300,458	-	-	-	300,458
Block Grant - Prevent & Treat of Substance Abuse	93.959		113,658	-	-	-	113,658
Prevent Health Services - Sex Trans Disease	93.977		510	-	-	-	510
PHHS Service Block Grant w/ PPHF	93.758		47,139	-	-	-	47,139
Maternal and Child Health Services Block Grant	93.994		673,807	372,340	-	-	1,046,147
Ryan White	93.917		11,670	-	-	-	11,670
Susan Komen	-		-	-	-	116,147	116,147
Positive Parenting Program	93.994		-	195,186	-	-	195,186
Maternal and Child Health Initiative	-		-	2,365	-	-	2,365
Medicaid Direct Benefit Payments	93.778		653,870,042	356,519,050	-	-	1,010,389,092
Total Division of Public Health			656,266,085	357,088,941	-	116,147	1,013,471,173
Total U.S. Department of Health and Human Services			774,017,673	369,864,184	51,432,453	44,530,508	1,188,412,365

**Mecklenburg County, North Carolina**  
**Schedule of Expenditures of Federal and State Financial Awards**  
**For the Year Ended June 30, 2016**

Grantor/Program Title	Federal CFDA Number	Direct and Pass-Through Grantor's Number	Fed. (Direct and Pass Through) Expenditures	State Expenditures	Passed-Through to Subrecipients	Local Expenditures	Total
Federal Awards (continued)							
U.S. Department of Agriculture:							
Passed-Through Centralina Council of Governments:							
Nutrition Project for the Elderly USDA	93.053		180,769	-	-	-	180,769
Division of Social Services Food Stamp Cluster:							
Food Stamp Administration	10.561		11,747,561	-	-	11,747,185	23,494,746
Food Stamp Fraud Administration	10.561		107,002	-	-	107,002	214,004
Total Food Stamp Cluster			<u>11,854,563</u>	-	-	<u>11,854,187</u>	<u>23,708,750</u>
Division of Public Health:							
Special Supplemental Nutrition Program - WIC	10.557		4,196,878	-	4,196,878	-	4,196,878
Supplemental Food Program - WIC	10.557		18,267,553	-	-	-	18,267,553
Total U.S. Department of Agriculture			<u>34,499,763</u>	-	<u>4,196,878</u>	<u>11,854,187</u>	<u>46,353,950</u>
U.S. Department of Housing and Urban Development:							
Direct Program:							
Supportive Housing Program-Special Needs							
Shelter Plus Care	14.238	NC0161C4F050900	32,147	-	-	-	32,147
Shelter Plus Care	14.238	NC0060L4F051301	6,473	-	-	-	6,473
Shelter Plus Care	14.238	NC0060L4F051303	13,996	-	-	-	13,996
Shelter Plus Care	14.238	NC0060L4F051306	249,041	-	-	-	249,041
Shelter Plus Care	14.238	NC0225L4F051404	76,576	-	-	-	76,576
Shelter Plus Care	14.238	NC0060L4F051402	68,509	-	-	-	68,509
Shelter Plus Care	14.238	NC0069L4F051407	1,173,841	-	-	-	1,173,841
NC Dept of Admin/FVPSA	93.671	FVPSA	18,508	-	-	-	18,508
Community Development Block Grant	14.218	B-10-UC-37-0003	1,188,363	-	-	-	1,188,363
Total U.S. Department of Housing and Urban Development			<u>2,827,454</u>	-	-	-	<u>2,827,454</u>
U.S. Department of Justice:							
Passed-Through the City of Charlotte:							
JAG/Law Enforcement Efficiency Improvements	16.738	2014-DJ-BX-1028	4,224	-	-	-	4,224
JAG/Law Enforcement Efficiency Improvements	16.738	2013-DJ-BX-1202	4,602	-	-	-	4,602
JAG/Law Enforcement Efficiency Improvements	16.738	2015-DJ-BX-0995	102,105	-	-	-	102,105
JAG/Law Enforcement Efficiency Improvements	16.738	2012-H1647-NC-DJ	8,642	-	-	-	8,642
ASSET Re-Entry	16.738	2014-DJ-BX-1148	16,887	-	-	-	16,887
Justice Reinvestment Initiative/BJA	16.751	2010-RR-BX-K069	250,588	-	-	-	250,588
Passed-Through N.C. Department of Crime Control and Public Safety:							
Division of Governor's Crime Commission:							
Body Worn Camera		PROJ011677	-	25,481	-	49,579	75,060
Total N.C. Dept. of Crime Control and Public Safety			-	25,481	-	49,579	75,060
Passed-Through Office of Violence Against Women							
Safe Havens Grant:	16.527	2013-CY-AX-K006	239,846	-	-	-	239,846
Safe Exchange & Supervised Visitation	16.527	2012-CW-AX-K022	165,392	-	-	-	165,392
Total U.S. Department of Justice			<u>792,286</u>	<u>25,481</u>	-	<u>49,579</u>	<u>867,346</u>
U.S. Department of Environmental Protection:							
Direct Program:							
Near Roadside Monitoring Program	66.034	XA-95495612-0	7,234	(23)	-	-	7,211
P M - 2.5 Monitoring Network	66.034	PM00D28415-1	183,352	-	-	-	183,352
Section 105	66.034	A-00406515	442,188	-	-	-	442,188
Total U.S. Department of Environmental Protection			<u>632,774</u>	<u>(23)</u>	-	-	<u>632,751</u>
U.S. Department of Homeland Security:							
Passed-Through Federal Emergency Management Association:							
Letters of Map Change Pilot	97.045	EMW-2014-CA-00252-S01	5,940	-	-	-	5,940
Flood Mitigation Assistance	97.029	FMA-PJ-04-NC-2012-004	1,479,170	-	-	-	1,479,170
Letters of Map Change	97.045	EMW-2015-CA-00069	9,369	-	-	-	9,369
Total U.S. Department of Homeland Security			<u>1,494,479</u>	-	-	-	<u>1,494,479</u>
U.S. Department of Transportation:							
Passed-Through N.C. Department of Transportation:							
Torrence Creek Greenway	20.205	C-4954	58,340	-	-	-	58,340
Greater Charlotte Air Awareness Program	20.205	CMS-6316	37,747	35,773	-	-	73,520
Grade - Landfills EPA	66.039	DE-00D27615-1	314,408	-	-	-	314,408
Barton Creek Greenway	20.205	CMS-1003(119)	72,472	-	-	-	72,472
Toby Creek Greenway Phase II	20.205	CMS-1003(103)	507,720	-	-	-	507,720
Little Sugar Creek Greenway	20.205	EB-4715	33,646	-	-	-	33,646
Wesley Heights Greenway	20.205	EB-4714	209,634	-	-	-	209,634
Little Sugar Creek Greenway -Phase E	20.205	EB-4715E	30,890	-	-	-	30,890
CFAT/2010-0499-45	20.205	CMS-00S(732)	10,376	19,821	-	-	30,197
Mowing Greens Plants			-	-	-	549	549
Food Recycling CMS	20.205	59587 CMS	-	22,443	-	2,045	24,488
Total U.S. Department of Transportation			<u>1,275,233</u>	<u>78,037</u>	-	<u>2,594</u>	<u>1,355,864</u>
Total Federal Awards			<u>815,539,662</u>	<u>369,967,679</u>	<u>55,629,331</u>	<u>56,436,868</u>	<u>1,241,944,209</u>

**Mecklenburg County, North Carolina  
Schedule of Expenditures of Federal and State Financial Awards  
For the Year Ended June 30, 2016**

Grantor/Program Title	Federal CFDA Number	Direct and Pass-Through Grantor's Number	Fed. (Direct and Pass Through) Expenditures	State Expenditures	Passed-Through to Subrecipients	Local Expenditures	Total
<b>State Awards:</b>							
N.C. Department of Environment and Natural Resources:							
N.C. Clean Water Management Trust Fund:							
Park Huntersville		2012-407	-	-	-	141,275	141,275
McDowell Restoration 2012		2012-437	-	281,867	-	-	281,867
Total N.C. Department of Environment and Natural Resources			-	281,867	-	141,275	423,142
N.C. Department of Health and Human Services:							
Division of Social Services:							
Smart Start DCD			-	224,318	-	-	224,318
ST CPS Caseload			-	891,041	-	2,390,359	3,281,400
CPS State			-	203,926	-	973,351	1,177,277
CWS NH Exp			-	559,489	-	1,662,339	2,221,828
State Foster Care Direct Benefit Programs:							
Regular			-	485,068	-	485,064	970,132
Domiciliary Care Direct Benefit Payments			-	2,897,477	-	2,897,477	5,794,954
Total Division of Social Services			-	5,261,319	-	8,408,590	13,669,909
Division of Public Health:							
General Aid to Counties			-	275,592	-	-	275,592
Sexually Transmitted Diseases			-	15,329	-	-	15,329
Communicable Disease			-	53,822	53,822	-	53,822
Food and Lodging Fees			-	171,661	-	-	171,661
HIV/STD Non Traditional Testing Site			-	103,947	-	-	103,947
HIV/STD SSBG AID			-	25,000	-	-	25,000
Public Health Pest Management			-	2,941	-	-	2,941
Tuberculosis			-	176,709	-	-	176,709
TB Medical Service			-	15,345	-	-	15,345
Children Dev. Service Agencies (CDSA)			-	929,485	-	-	929,485
School Nurse Funding Initiative			-	51,207	-	-	51,207
Child Health			-	9,810	-	-	9,810
Women's Preventative Health/Fund			-	20,607	-	-	20,607
Maternal Care			-	18,325	-	-	18,325
Care Coordination for Children			-	1,885,211	-	-	1,885,211
Pregnancy Care Management			-	2,064,645	-	-	2,064,645
HMHC Family Planning			-	68,480	-	-	68,480
Breast and Cervical Cancer Control Program			-	137,955	-	-	137,955
Total Division of Public Health State Awards			-	6,026,071	53,822	-	6,026,071
Total N.C. Department of Health and Human Services			-	11,287,390	53,822	8,408,590	19,695,980
N.C. Department of Juvenile Justice and Delinquency Prevention:							
Juvenile Transportation			-	10,681	-	-	10,681
Juvenile Crime Prevention Council Programs			-	1,370,061	1,370,061	-	1,370,061
Total N.C. Department of Juvenile Justice and Delinquency Prevention			-	1,380,742	1,370,061	-	1,380,742
N.C. Department of Public Instruction:							
Public School Building Capital Fund - Lottery Funds			-	9,500,000	-	-	9,500,000
Total N.C. Department of Public Instruction			-	9,500,000	-	-	9,500,000
N.C. Department of Public Safety:							
Intermediary Grant			-	71,607	-	-	71,607
MacArthur Foundation			-	-	-	83,040	83,040
Reclaiming Futures			-	-	-	10,008	10,008
SJC MacArthur Project			-	-	-	4,222	4,222
N.C. Department of Transportation:							
Elderly and Disabled Transportation Assistance Program			-	265,518	-	-	265,518
Community Transportation Administration			-	613,302	-	-	613,302
Work First Employment Transportation			-	228,756	-	-	228,756
Rural General Program			-	35,382	-	-	35,382
Total N.C. Department of Transportation			-	1,142,958	-	-	1,142,958
Total State Awards			-	23,664,564	1,423,883	8,647,135	32,311,699
Total Federal and State Awards			\$ 815,539,662	\$ 393,632,243	\$ 57,053,214	\$ 65,084,003	\$ 1,274,255,908

MECKLENBURG COUNTY, NORTH CAROLINA  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE FINANCIAL AWARDS**  
FOR THE YEAR ENDED JUNE 30, 2016

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**Note 1: Basis of Presentation**

The accompanying schedule of expenditures of federal and State awards ("SEFSA") includes the federal and State grant activity of under the programs of the federal government and the State of North Carolina for the year ended June 30, 2016. The information in this SEFSA is presented in accordance with the requirements of Title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the State Single Audit Implementation Act. Because the Schedule presents only a selected portion of the operations of Mecklenburg County, it is not intended to and does not present the financial position, changes in net position or cash flows of Mecklenburg County. 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.

**Note 2: Summary of Significant Accounting Policies**

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

**Note 3: Reporting Entity**

Mecklenburg County, North Carolina, for purposes of the schedule of expenditures of federal and State awards, includes all the funds of the primary government as defined by the Governmental Accounting Standards Board. It does not include any component units of the County as follows:

- The Public Library of Charlotte and Mecklenburg County
- The Mecklenburg County Alcoholic Beverage Control Board
- The Mecklenburg Emergency Medical Services Agency

The Public Library of Charlotte and Mecklenburg County also receives federal awards, but separately satisfies the audit requirements of Title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the State Single Audit Implementation Act. The Mecklenburg County Alcoholic Beverage Control Board and the Mecklenburg Emergency Medical Services Agency do not receive federal or State grants.