

Howard County, Maryland

**Annual Financial Report
(Single Audit)**

June 30, 2013

Howard County, Maryland

Index

	<u>Page</u>
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by OMB Circular A-133	2
Schedule of Expenditures of Federal Awards	5
Note to Schedule of Expenditures of Federal Awards	9
Schedule of Findings and Questioned Costs	10

Independent Auditor's Report on Compliance for Each Major Program and on
Internal Control over Compliance Required by OMB Circular A-133

The Honorable Members of the County Council
Howard County, Maryland

Report on Compliance for Each Major Federal Program

We have audited Howard County, Maryland's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Howard County, Maryland's major federal programs for the year ended June 30, 2013. Howard County, Maryland'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 Howard County, Maryland'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; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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 Howard County, Maryland'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 Howard County, Maryland's compliance.

Opinion on Each Major Federal Program

In our opinion, Howard County, Maryland 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.

Report on Internal Control over Compliance

Management of Howard County, Maryland 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 Howard County, Maryland's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal 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 Howard County, Maryland'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 material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 our testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Schedule of Expenditures of Federal Awards

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 Howard County, Maryland, as of and for the year ended June 30, 2013, and have issued our report thereon dated November 27, 2013, which contained unmodified opinions on the financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Howard County, Maryland's basic financial statements. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the

auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Howard County, Maryland's response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit Howard County Maryland's response and, accordingly, we express no opinion on the response.

This report is intended for the information and use of Howard County's management, the federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "Cohn Reznick LLP".

Baltimore, Maryland
January 23, 2014

Howard County, Maryland

Schedule of Expenditures of Federal Awards June 30, 2013

Federal Program	Federal Catalog Number	Contract/Grant Number	Non-ARRA Expenditures	ARRA Expenditures	Total Expenditures
EQUAL EMPLOYMENT OPPORTUNITY COMMISSION					
Fair Employment Practices Agency Contracts	30.002	EECN130025	\$ 35,950	\$ -	\$ 35,950
Total Equal Employment Opportunity Commission			35,950	-	35,950
U.S. DEPARTMENT OF AGRICULTURE					
Pass-through Department of Human Resources					
Office of Victim Services					
Emergency Food Assistance Program	10.568	1000000000000000469	3,352	-	3,352
Total U.S. Department of Agriculture			3,352	-	3,352
U.S. DEPT OF DEFENSE, OFFICE OF ECONOMIC ADJUSTMENT					
Pass-through Anne Arundel County, Maryland					
Grant to Support Growth at Fort Meade	12.607	1000000000000000577	90,654	-	90,654
BRAC Grant FY13	12.607	1000000000000000487	241,953	-	241,953
Total U.S. Dept of Defense, Office of Economic Adjustment			332,607	-	332,607
U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES					
Pass-through Maryland Department of Education					
Child Care Resource Center Infant and Toddler FY13	93.575	1000000000000000491	49,275	-	49,275
Pass-through Maryland Department of Human Resources					
Work on Wheels FY13	93.558	1000000000000000397	193,956	-	193,956
FY2013 WISH/DSS Agreement	93.558	1000000000000000492	91,403	-	91,403
Pass through Maryland Department of Aging					
Cluster 93.044 / 93.045					
Older Americans Act Title VII- Ombuds/Elder Abuse FY12	93.041	1000000000000000450	640	-	640
Title VII- Ombudsman FY13	93.042	1000000000000000438	15,309	-	15,309
Older Americans Act Title III D FY2013	93.043	1000000000000000428	13,452	-	13,452
Older Americans Act Title III D FY2012	93.043	1000000000000000453	3,731	-	3,731
Older Americans Act Title III B FEDERAL FY13	93.044	1000000000000000441	145,749	-	145,749
Older Americans Act Title III B FY2012	93.044	1000000000000000455	6,320	-	6,320
Older Americans Act Title III C1-FY13	93.045	1000000000000000430	219,057	-	219,057
Older Americans Act Title III C1-FY2012	93.045	1000000000000000452	30,598	-	30,598
Older Americans Act Title III C2-FY2012	93.045	1000000000000000451	34,860	-	34,860
Older Americans Act Title III C2-FY2013	93.045	1000000000000000431	89,522	-	89,522
Nutrition Service Incentive Program	93.053	1000000000000000478	5,507	-	5,507
Nutrition Service Incentive Program	93.053	1000000000000000488	21,156	-	21,156
Total Cluster 93.044 / 93.045/ 93.053			585,901	-	585,901
Community Initiative Aging In Place	93.048	1000000000000000195	(1,537)	-	(1,537)
Title 3E Caregiver FY13	93.052	1000000000000000440	75,813	-	75,813
Older Americans Act Title III E- FY12	93.052	1000000000000000454	7,329	-	7,329
Options Counseling FY12	93.517	1000000000000000442	80,040	-	80,040
ACA MIPPA Grant FY12	93.518	1000000000000000360	4,485	-	4,485
SMP - HCFPE Grant FY12	93.779	1000000000000000358	8,747	-	8,747
Hospital Discharge Grant	93.779	1000000000000000361	27,874	-	27,874
SMP CAMM FY13	93.779	1000000000000000432	6,496	-	6,496
SMP - HCFPE Grant FY13	93.779	1000000000000000433	4,899	-	4,899
Person Centered Hospital Discharge FY13	93.779	1000000000000000435	28,448	-	28,448
SHIP FY13	93.779	1000000000000000439	22,777	-	22,777
Money Follows The Person - MAP Grant	93.779	1000000000000000575	70,864	-	70,864
Pass through Maryland Child Support Enforcement					
Contract Services Administration					
Child Support Enforcement FY12	93.563	1000000000000000309	19,285	-	19,285
Child Support Enforcement FY13	93.563	1000000000000000403	77,088	-	77,088
Pass through Maryland Department of Housing and Community Development					
LIHEAP	93.568	1000000000000000449	17,325	-	17,325
Total U.S. Department of Health & Human Services			1,370,468	-	1,370,468

Howard County, Maryland

Schedule of Expenditures of Federal Awards June 30, 2013

Federal Program	Federal Catalog Number	Contract/Grant Number	Non-ARRA Expenditures	ARRA Expenditures	Total Expenditures
U.S. DEPARTMENT OF HOMELAND SECURITY					
Pass-through Maryland Emergency Management Agency					
Funding to Enhance Capabilities	97.008	10000000000000000386	750,525	-	750,525
Funding to Enhance Capabilities	97.008	10000000000000000460	229,251	-	229,251
FEMA 4091	97.036		577,307	-	577,307
FEMA 3335	97.036		42,873	-	42,873
FEMA 4038	97.036		95,656	-	95,656
EMPG 'FY12	97.042	10000000000000000459	48,740	-	48,740
Funds to Support the Operations of Emergency Management	97.042	10000000000000000471	4,620	-	4,620
Citizen Corps Program FY10	97.053	10000000000000000530	7,977	-	7,977
10 State Homeland Security	97.073	10000000000000000377	490,621	-	490,621
State Homeland Security Grant Fiscal Year 2011	97.073	10000000000000000461	85,679	-	85,679
SAFER Grant	97.083	10000000000000000119	136,710	-	136,710
Total U.S. Department of Homeland Security			2,469,959	-	2,469,959
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT					
Community Development Block Grant '08	14.218	10000000000000000101	69,211	-	69,211
Community Development Block Grant '09	14.218	10000000000000000179	10,803	-	10,803
CDBG Entitle FFY11	14.218	10000000000000000374	221,714	-	221,714
Community Development Block Grant '02	14.218	10000000000000000400	362,104	-	362,104
Supportive Housing - HUD 2 Chronic FY12	14.235	10000000000000000345	2,330	-	2,330
Supportive Housing - HUD 2 Chronic FY13	14.235	10000000000000000414	121,941	-	121,941
SHP HUD 3	14.235	10000000000000000415	29,218	-	29,218
SHP HUD 3	14.235	10000000000000000417	46,573	-	46,573
SHP/HUD 1	14.235	10000000000000000474	172,959	-	172,959
SHP HUD 4	14.235	10000000000000000477	10,651	-	10,651
SHP HUD 5 FFY13	14.235	10000000000000000570	11,415	-	11,415
Home Investment Partnership Act '07	14.239	10000000000000000104	(362,659)	-	(362,659)
Home Investment Partnership Act '08	14.239	10000000000000000105	117,079	-	117,079
Home Investment Partnership Grant 2009	14.239	10000000000000000180	100,274	-	100,274
Home Investment Partnership Grant 2006	14.239	10000000000000000183	34,488	-	34,488
Home Investment Partnership Grant 2010	14.239	10000000000000000219	81,434	-	81,434
Home Entitle FFY11	14.239	10000000000000000375	96,089	-	96,089
Home Investment Partnership FY13	14.239	10000000000000000401	265,177	-	265,177
Home Investment Partnership Act '04	14.239	10000000000000000489	14,835	-	14,835
FFY2010 Economic Development Initiative - Special Projec	14.251	10000000000000000201	58,776	-	58,776
Continuum of Care FY12	14.267	10000000000000000413	58,549	-	58,549
Continuum of Care FY12	14.267	10000000000000000571	18,484	-	18,484
Continuum of Care FY12-Bridges Transitional Housing	14.267	10000000000000000574	27,198	-	27,198
Pass through Maryland Department of Housing and Community Development					
Emergency Solutions FY13	14.231	10000000000000000418	20,999	-	20,999
Total U.S. Department of Housing and Urban Development			1,589,642	-	1,589,642

Howard County, Maryland

Schedule of Expenditures of Federal Awards June 30, 2013

Federal Program	Federal Catalog Number	Contract/Grant Number	Non-ARRA Expenditures	ARRA Expenditures	Total Expenditures
U.S. DEPARTMENT OF JUSTICE					
Justice Assistance Grant I - 2009 Recovery	16.804	10000000000000000001	-	4,007	4,007
Asset Forfeiture/Equitable Sharing	16.111	10000000000000000042	221,458	-	221,458
Pass-through Governor's Office of Crime Control and Prevention					
Domestic Violence Legal Assistance FY13	16.588	10000000000000000404	26,147	-	26,147
Domestic Violence Legal Assistance	16.588	10000000000000000458	12,365	-	12,365
State Criminal Alien Assistance Program 11	16.606	10000000000000000301	3,025	-	3,025
State Criminal Alien Assistance Program FY12	16.606	10000000000000000334	45,217	-	45,217
FY10 Bulletproof Vest Partnership	16.607	10000000000000000296	20,757	-	20,757
JAG 2011 Annual	16.738	10000000000000000331	27,719	-	27,719
JAG 2012 Annual	16.738	10000000000000000332	5,053	-	5,053
Justice Assistance Grant 2010	16.738	10000000000000000245	8,416	-	8,416
Pass-through Maryland Department of Human Resources					
Child Advocacy Center Victim Advocate	16.575	10000000000000000456	10,655	-	10,655
Child Advocacy FY13	16.575	10000000000000000405	27,872	-	27,872
Victims Assistance Grant FY12	16.575	10000000000000000341	17,331	-	17,331
Victims Assistance Grant FY13	16.575	10000000000000000406	53,313	-	53,313
Pass-through Maryland Children Alliance					
MD Children Alliance FY13	16.543	10000000000000000445	9,339	-	9,339
Total U.S. Department of Justice			488,667	4,007	492,674
U.S. DEPARTMENT OF LABOR					
Pass-through Maryland Department of Labor, Licensing and Regulation					
Cluster 17,258 / 17,259 / 17,260 / 17,278					
WIA Adult PY12-FY13	17.258	10000000000000000421	83,364	-	83,364
CACO WIA Adult PY12	17.258	10000000000000000423	12,817	-	12,817
CACO WIA Adult PY12-FY13	17.258	10000000000000000426	5,232	-	5,232
WIA Adult PY12	17.258	10000000000000000446	14,964	-	14,964
[PA] FY12 CACO Pass Through WIA Adult Title I Grant	17.258	10000000000000000481	154,034	-	154,034
[PA] FY12 WIA Adult Title 1 Grant	17.258	10000000000000000482	69,391	-	69,391
CACO WIA YOUTH PY12	17.259	10000000000000000424	2,737	-	2,737
PY12 WIA Youth	17.259	10000000000000000447	94,411	-	94,411
Carroll County Pass-Thru WIA Youth Title I Grant	17.259	10000000000000000464	92,137	-	92,137
PY 11 WIA Youth Title I Grant	17.259	10000000000000000468	152,126	-	152,126
WIA DISLOCATED WORKER PY12	17.278	10000000000000000420	81,033	-	81,033
WIA DISLOCATED WORKER PY12-FY13	17.278	10000000000000000422	414,581	-	414,581
CACO WIA DISLOCATED WORKER PY12	17.278	10000000000000000425	82,844	-	82,844
CACO WIA DISLOCATED WORKER PY12-FY13	17.278	10000000000000000427	182,672	-	182,672
Carroll County Pass-Thru WIA Dislocated Worker Title I Grant	17.278	10000000000000000465	98,306	-	98,306
PY11 WIA Dislocated Worker Title I Grant	17.278	10000000000000000467	130,243	-	130,243
[PA]FY12 WIA Dislocated Worker Title I	17.278	10000000000000000479	329,174	-	329,174
[PA] CACO Pass Thru WIA dislocated Worker Title I	17.278	10000000000000000480	417,684	-	417,684
Total Cluster 17,258 / 17,259 / 17,260 / 17,278			2,417,750	-	2,417,750
[PA] CACO ARRA MESP Green 11/11-12/12	17.275	10000000000000000483	-	28,015	28,015
ARRA MESP Green 11/11-12/12	17.275	10000000000000000484	-	23,257	23,257
BRAC Projects FY12	17.277	10000000000000000330	277,170	-	277,170
Pass-through Anne Arundel Workforce Development Corporation					
Pathways To Cyber Security Careers.	17.269	10000000000000000303	61,674	-	61,674
Total U.S. Department of Labor			2,756,594	51,272	2,807,866

Howard County, Maryland

Schedule of Expenditures of Federal Awards June 30, 2013

Federal Program	Federal Catalog Number	Contract/Grant Number	Non-ARRA Expenditures	ARRA Expenditures	Total Expenditures
U.S. DEPARTMENT OF TRANSPORTATION					
Pass-through Maryland Department of Transportation Cluster 20.500 / 20.507					
FY 08 Capital Bus Purchase C-0320 Federal	20.500	10000000000000000166	13,930	-	13,930
Capital Transit Purchases ARRA	20.507	10000000000000000165	-	38,810	38,810
Rideshare FY13	20.507	10000000000000000398	125,547	-	125,547
Total Cluster 20.500 / 20.507			139,477	38,810	178,287
Brampton Hills Stream Stabilization	20.205	10000000000000000130	8,505	-	8,505
Federal Bridge Rehab & Replace E	20.205	10000000000000000135	572,794	-	572,794
Unified Planning Work Program	20.205	10000000000000000297	48,528	-	48,528
Unified Planning Work Program FY12	20.205	10000000000000000311	94,972	-	94,972
Unified Planning Work Program FY13	20.205	10000000000000000396	96,647	-	96,647
Unified Planning Work Program-FTA	20.505	10000000000000000297	15,710	-	15,710
Unified Public Work Program FY12	20.505	10000000000000000311	30,746	-	30,746
Unified Public Work Program FY13	20.505	10000000000000000396	31,288	-	31,288
Section 5311 - Federal FY13	20.509	10000000000000000399	357,291	-	357,291
New Freedom - Bus Stop Improvements	20.521	10000000000000000302	60	-	60
Community Traffic Safety Grant FY12	20.600	10000000000000000342	30,970	-	30,970
Regional Traffic Safety FY13	20.600	10000000000000000448	69,276	-	69,276
MIEMSS CAD Interface for Howard County FY13	20.600	10000000000000000494	6,000	-	6,000
Total U.S. Department of Transportation			1,502,264	38,810	1,541,074
U.S. DEPARTMENT OF EDUCATION					
Pass-through Maryland Family Network Inc					
	84.412	10000000000000000490	33,750	-	33,750
Total U.S. Department of Energy			33,750	-	33,750
U.S. DEPARTMENT OF ENERGY					
Energy Efficiency & Conservation block grant					
	81.128	10000000000000000184	-	346,768	346,768
Pass-through Maryland Department of Housing and Community Development Division of Neighborhood Revitalization					
Weatherization Assistance Program	81.042	10000000000000000235	-	35,177	35,177
Total U.S. Department of Energy			-	381,945	381,945
U.S. DEPARTMENT OF COMMERCE					
Pass-through Maryland Department of Information Technology					
Inter County Broadband Network	11.557	10000000000000000381	-	27,402,322	27,402,322
Total U.S. Department of Commerce			-	27,402,322	27,402,322
			\$ 10,583,253	\$ 27,878,356	\$ 38,461,609

See Note to Schedule of Expenditures of Federal Awards.

Howard County, Maryland

Note to Schedule of Expenditures of Federal Awards June 30, 2013

Note 1 - Basis of presentation

The accompanying schedule of expenditures of federal awards (the "schedule") includes the federal grant activity of the Howard County, Maryland under programs of the federal government for the year ended June 30, 2013. 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. Because the schedule presents only a selected portion of the operations of the Howard County, Maryland, it is not intended to and does not present the financial position, changes in net assets or cash flows of the Howard County, Maryland.

Expenditures reported on the schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, Cost Principles for State, Local, and Indian Tribal Governments, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Howard County, Maryland

**Schedule of Findings and Questioned Costs
June 30, 2013**

I. Summary of Independent Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? X Yes No

Significant deficiency(ies) indentified? Yes X None
Reported

Noncompliance material to financial statements noted? Yes X No

Federal Awards

Internal control over major programs:

Material weakness(es) identified? Yes X No

Significant deficiency(ies) indentified? Yes X None
Reported

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

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133? Yes X No

Identification of Major Programs

<u>Name of Federal Program or Cluster</u>	<u>CFDA Number(s)</u>	<u>Fiscal Year 6/30/2012 Expenditures</u>
U.S. Department of Commerce	11.557	<u>\$27,402,322</u>
U.S. Department of Energy	81.128	<u>\$ 346,768</u>
Dollar threshold used to distinguish between type A and type B programs		<u>\$ 1,153,848</u>

Auditee qualified as a low-risk auditee? Yes X No

Howard County, Maryland

**Schedule of Findings and Questioned Costs
June 30, 2013**

II. Financial Statement Findings

Material weaknesses

Finding No. 2013-1

Capital Assets

Condition

The June 30, 2013 financial statements of the County reflect prior period adjustments pertaining to Constructions in Progress ("CIP") in the Government-wide financial statements (Government Activities Fund, Business-type Activities Fund) and the Proprietary Fund Statements.

Criteria

The County identified projects that had been placed-in-service during a prior year but remained in CIP, joint venture projects in CIP that would not result in assets for the County, projects in CIP that were strictly repairs and maintenance related to a prior year, and donated assets that were not recorded.

Cause

There is a lack of sufficient controls in place to ensure capital assets to be properly recorded.

Effect

The County identified projects that had been placed-in-service during a prior year but remained in CIP, joint venture projects in CIP that would not result in assets for the County, projects in CIP that were strictly repairs and maintenance related to a prior year, and donated assets that were not recorded.

Questioned Costs

There are no questioned costs.

Recommendations

Designate Finance Department personnel ("FDP") to track capital project status. FDPs should meet with Project Managers on a quarterly basis to discuss project status, identify costs to be expensed, placed in service or remain in CIP and prepare reconciliations for every project.

Identify a Finance Department supervisor to review all quarterly CIP reconciliations.

Howard County, Maryland

**Schedule of Findings and Questioned Costs
June 30, 2013**

Identify projects that will not result in County-owned assets, such as joint venture projects and repair and maintenance items and exclude these projects from CIP.

Reevaluate tracking procedures surrounding donated assets to ensure such assets are reported timely.

Views of Responsible Officials and Planned Corrective Actions

Management agrees with the recommendation. We are taking steps to review the current structure with the department and make appropriate changes that will identify how capital projects will be reviewed on a monthly, quarterly, and annual basis. So far, management has instituted quarterly meetings with the project managers to mitigate the risk of prior period adjustments. Further, the County is embarking on a comprehensive policies and procedures manual that will include fixed assets and capital projects to provide uniformity across the County.

III. Major Federal Award Findings and Questioned Costs

None

IV. Prior Auditing Findings - Summary of Status

Finding No. 2012-1

Grants Special Revenue Fund and Capital Grants

Condition

The County receives over 200 varying types of federal and state grants, which are administered by different agencies throughout the County.

Criteria

The County was unable to provide certain documentation to ensure timely and accurate financial reporting. The County has significant outstanding receivables for cost reimbursable grants in which the County has funded the costs. A significant portion of the receivables have been outstanding more than 90 days after year end.

Status

Cleared.

Howard County, Maryland

**Schedule of Findings and Questioned Costs
June 30, 2013**

Finding No. 2012-2

Review and Approval

Condition

The County does not adhere to the review and approval procedures in place to ensure accurate, timely and reliable reporting of financial information.

Criteria

Internal controls should be in place that require sufficient review and approval procedures in place to ensure accurate, timely and reliable reporting of financial information.

Status

Cleared.

Finding 2012-3

Cutoff Procedures

Condition

During the course of our audit, we noted that the County did not perform proper cutoff procedures related to accounts payable.

Criteria

Internal controls should be in place to ensure proper cutoff procedures related to accounts payable.

Status

Cleared.

Finding 2012-4

Data Collection Form (DCF)

Condition

The DCF for the year ended June 30, 2011 was not filed timely in accordance with Federal Audit Clearing House ("FAC") requirements.

Howard County, Maryland

**Schedule of Findings and Questioned Costs
June 30, 2013**

Criteria

Internal controls should be in place to ensure the data collection form is filed timely with the FAC.

Status

Cleared.