

COUNTY OF ONONDAGA, NEW YORK

REPORT REQUIRED BY THE SINGLE AUDIT ACT

DECEMBER 31, 2013

COUNTY OF ONONDAGA, NEW YORK

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

To the Honorable County Executive, Joanne M. Mahoney
and Honorable Members of the County Legislature
County of Onondaga, New York

Report on Compliance for Each Major Federal Program

We have audited the County of Onondaga, New York's (the "County") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have direct and material effect on each of the County's major federal programs for the year ended December 31, 2013. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

The County's basic financial statements include the operations of Onondaga Community College, Onondaga County Convention Center/War Memorial Complex Management Corporation, Onondaga County Housing Development Fund Company, Onondaga County Industrial Development Agency, Friends of the Rosamond Gifford Zoo and the Onondaga Tobacco Asset Securitization Corporation whose federal awards are not included in the schedule of expenditures of federal awards for the year ended December 31, 2013. Our audit, described below, did not include the federal awards of the above entities as these entities conducted audits in accordance with OMB Circular A-133, if required.

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; 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 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.

Basis for Qualified Opinions on Medical Assistance Program - 93.778 and Adoption Assistance - 93.659

As described in the accompanying schedule of findings and questioned costs, the County did not comply with Eligibility compliance requirements regarding Medical Assistance Program - 93.778 as described in finding number 13-01. In addition, the County did not comply with Eligibility compliance requirements regarding Adoption Assistance - 93.659 as described in finding number 13-02. Compliance with such requirements is necessary, in our opinion, for the County to comply with the requirements applicable to these programs.

Qualified Opinion on Medical Assistance Program - 93.778

In our opinion, except for the noncompliance described in the Basis for Qualified Opinions paragraph, 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 Medical Assistance Program - 93.778 for the year ended December 31, 2013.

Qualified Opinion on Adoption Assistance - 93.659

In our opinion, except for the noncompliance described in the Basis for Qualified Opinions paragraph, 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 Adoption Assistance - 93.659 for the year ended December 31, 2013.

Unmodified Opinion on Each of the Other Major Federal 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 federal programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended December 31, 2013.

Other Matters

The results of our auditing procedures disclosed other instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as item 13-03. Our opinion on each major federal 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. The County's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

Report on Internal Control over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedure 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 the County's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph 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. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 13-01 through 13-03 to be material weaknesses.

A significant deficiency in internal control over compliance is a deficiency or a combination of deficiencies in internal control over compliance with a type of compliance requirement of a federal 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.

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

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

Report on the Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Onondaga, New York as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated April 17, 2014, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying 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 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 basic 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 basic financial statements or to the basic 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 basic financial statements as a whole.

August 25, 2014
Syracuse, New York

**COUNTY OF ONONDAGA, NEW YORK
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2013**

Federal Grantor/Program Title	CFDA #	Pass-Through Grantor ID #	Federal Expenditures
U.S. Department of Agriculture:			
Pass-Through New York State Education Department:			
Child Nutrition Cluster:			
School Breakfast Program	10.553		\$ 9,739
National School Lunch Program	10.555		<u>16,807</u>
Total Child Nutrition Cluster			<u>26,546</u>
Pass-Through NYS Department of Health:			
Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)	10.557	C025777	2,038,000
Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)	10.557	C025815	221,689
Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)	10.557		<u>7,078,553</u>
Total WIC			<u>9,338,242</u>
Pass-Through New York State (NYS) Department of Family Assistance:			
State Administrative Matching Grants for Supplemental Nutrition Assistance Program	10.561		3,819,414
Pass-Through NYS Department of Health:			
State Administrative Matching Grants for Supplemental Nutrition Assistance Program	10.561	C026674	<u>45,779</u>
Total State Administrative Matching Grants for Supplemental Nutrition Assistance Program			<u>3,865,193</u>
			<u>13,229,981</u>
U.S. Department of Defense:			
Direct Program:			
Protection of Essential Highways, Highway Bridge Approaches, and Public Works	12.105		<u>(6)</u>
			<u>(6)</u>
U.S. Department of Housing and Urban Development:			
Direct Programs:			
Community Development Block Grants/Entitlement Grants	14.218		<u>2,149,106</u>
Neighborhood Stabilization Program	14.228		<u>85,228</u>
Emergency Solutions Grants Program	14.231		<u>179,720</u>
Home Investment Partnerships Program	14.239		<u>496,928</u>
ARRA - Homeless Prevention and Rapid Re-Housing Program	14.257		<u>77,262</u>
Lead-Based Paint Hazard Control in Privately-Owned Housing	14.900		1,791,490
Pass-Through City of Syracuse:			
Lead-Based Paint Hazard Control in Privately-Owned Housing	14.900	04811	<u>50,927</u>
Total Lead-Based Paint Hazard Control in Privately-Owned Housing			<u>1,842,417</u>
			<u>4,830,661</u>

(Continued)

**COUNTY OF ONONDAGA, NEW YORK
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2013**

Federal Grantor/Program Title	CFDA #	Pass-Through Grantor ID #	Federal Expenditures
U.S. Department of Justice:			
Direct Programs:			
Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program	16.580		<u>28,000</u>
State Criminal Alien Assistance Program	16.606		<u>27,524</u>
Public Safety Partnership and Community Policing Grants	16.710		<u>157,047</u>
Edward Byrne Memorial Justice Assistance Grant Program	16.738		78,594
Pass-Through NYS Division of Criminal Justice Services:			
Edward Byrne Memorial Justice Assistance Grant Program	16.738		86,437
Edward Byrne Memorial Justice Assistance Grant Program	16.738	C632351	<u>33,429</u>
Total Edward Byrne Memorial Justice Assistance Grant Program			<u>198,460</u>
DNA Backlog Reduction Program	16.741	DN-BX-0001	128,401
DNA Backlog Reduction Program	16.741	DN-BX-K467	22,111
DNA Backlog Reduction Program	16.741	DN-BX-K009	<u>15,632</u>
Total DNA Backlog Reduction Program			<u>166,144</u>
Paul Coverdell Forensic Sciences Improvement Grant Program	16.742	T662005	19,079
Paul Coverdell Forensic Sciences Improvement Grant Program	16.742	C118160	339
Paul Coverdell Forensic Sciences Improvement Grant Program	16.742	T128161	22,484
Paul Coverdell Forensic Sciences Improvement Grant Program	16.742	T128160	<u>22,484</u>
Total Paul Coverdell Forensic Sciences Improvement Grant Program			<u>64,386</u>
Pass-Through NYS Police:			
ARRA - Internet Crimes Against Children Task Force Program (ICAC)	16.800		<u>1,803</u>
Total U.S. Department of Justice			<u>643,364</u>
U.S. Department of Labor:			
Pass-Through NYS Office for the Aging:			
Senior Community Service Employment Program	17.235		<u>99,488</u>
Total U.S. Department of Labor			<u>99,488</u>
U.S. Department of Transportation:			
Pass-Through NYS Department of Transportation:			
Highway Planning and Construction	20.205		10,245,361
ARRA - Highway Planning and Construction	20.205		<u>81,407</u>
Total Highway Planning and Construction			<u>10,326,768</u>
Metropolitan Transportation Planning	20.505		<u>209,871</u>
Pass-Through NYS Governor's Traffic Safety Committee:			
State and Community Highway Safety	20.600		<u>143,027</u>
Total U.S. Department of Transportation			<u>10,679,666</u>
Institute of Museum and Library Services:			
Pass-Through NYS Department of Education:			
Grants to States	45.310		<u>25,789</u>
Total Institute of Museum and Library Services			<u>25,789</u>
U.S. Environmental Protection Agency:			
Direct Program:			
Congressionally Mandated Projects	66.202		<u>7,579,370</u>

(Continued)

**COUNTY OF ONONDAGA, NEW YORK
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2013**

Federal Grantor/Program Title	CFDA #	Pass-Through Grantor ID #	Federal Expenditures
U.S. Environmental Protection Agency (Continued):			
Pass-Through NYS Department of Health: State Indoor Radon Grants	66.032	T027073	<u>6,736</u>
Pass-Through NYS Environmental Facilities Corporation: ARRA - Capitalization Grants for Clean Water State Revolving Funds	66.458		<u>1,738,467</u>
Total U.S. Environmental Protection Agency			<u>9,324,573</u>
U.S. Department of Energy:			
Direct Program: ARRA - Energy Efficiency and Conservation Block Grant Program	81.128		<u>12,013</u>
Total U.S. Department of Energy			<u>12,013</u>
U.S. Department of Education:			
Pass-Through Syracuse City School District: Special Education Grants to the States (IDEA, Part B)	84.027		38,727
Pass-Through Department of Health: Special Education - Grants for Infants and Families	84.181	C027495	<u>284,108</u>
Total U.S. Department of Education			<u>322,835</u>
U.S. Election Assistance Commission:			
Direct Program: Help America Vote Act Requirements Payments	90.401		<u>121,861</u>
Total U.S. Election Assistance Commission			<u>121,861</u>
U.S. Department of Health and Human Services:			
Direct Programs:			
Comprehensive Community Mental Health Svcs. for Children with Serious Emotional Disturbances	93.104		<u>2,126,988</u>
Healthy Start Initiative	93.926		<u>971,576</u>
Voting Access for Individuals with Disabilities - Grants to States	93.617		<u>(6,688)</u>
Pass-Through National Association of County and City Health Officials:			
Medical Reserve Corps Small Grant Program	93.008	MRC 1120	(2,068)
Medical Reserve Corps Small Grant Program	93.008	MRC 1220	(4,492)
Medical Reserve Corps Small Grant Program	93.008	MRC 13-0020-C	<u>4,967</u>
Total Medical Reserve Corps Small Grant Program			<u>(1,593)</u>
Pass-Through NYS Office of Mental Health: Projects for Assistance in Transition from Homelessness	93.150		<u>459,056</u>
Pass-Through NYS Office for the Aging: Special Programs for the Aging, Title III, Part D, Disease Prevention and Health Promotion Services	93.043		<u>19,840</u>
Aging Cluster:			
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044		391,433
Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045		737,284
Nutrition Services Incentive Program	93.053		<u>231,143</u>
Total Aging Cluster			<u>1,359,860</u>

(Continued)

**COUNTY OF ONONDAGA, NEW YORK
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2013**

Federal Grantor/Program Title	CFDA #	Pass-Through Grantor ID #	Federal Expenditures
U.S. Department of Health and Human Services (Continued):			
Pass-Through NYS Office for the Aging (Continued):			
National Family Caregiver Support, Title III, Part E	93.052		<u>140,095</u>
Affordable Care Act - Maternal, Infant and Early Childhood Home Visiting Program	93.505		<u>99,937</u>
Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations	93.779		<u>25,832</u>
Pass-Through NYS Department of Family Assistance:			
Child Support Enforcement	93.563		<u>2,345,603</u>
Refugee and Entrant Assistance - Voluntary Agency Programs	93.567		<u>1,878,525</u>
Low-Income Home Energy Assistance	93.568		<u>13,040,263</u>
Child Care and Development Block Grant	93.575		<u>12,651,642</u>
Stephanie Tubbs Jones Child Welfare Services Program	93.645		<u>458,833</u>
Foster Care - Title IV-E	93.658		<u>5,828,103</u>
Adoption Assistance	93.659		<u>3,310,403</u>
Social Services Block Grant	93.667		<u>3,228,990</u>
Chafee Foster Care Independence Program	93.674		<u>167,580</u>
Temporary Assistance for Needy Families	93.558		42,586,660
Pass-Through NYS Department of Health:			
Temporary Assistance for Needy Families	93.558	C028081	<u>258,350</u>
Total Temporary Assistance for Needy Families			<u>42,845,010</u>
Immunization Cooperative Agreements	93.268	C023258	56,720
Immunization Cooperative Agreements	93.268	C023001	<u>511</u>
Total Immunization Cooperative Agreements			<u>57,231</u>
Children's Health Insurance Program	93.767	C027842	<u>3,688</u>
Expanded Partner Services	93.940	4724-01	<u>25,606</u>
Preventive Health Services - Sexually Transmitted Disease Control Grants	93.977	C027658A	36,465
Preventive Health Services - Sexually Transmitted Disease Control Grants	93.977	T028064	2,654
Preventive Health Services - Sexually Transmitted Disease Control Grants	93.977	C027977	137,677
Preventive Health Services - Sexually Transmitted Disease Control Grants	93.977	T028869	<u>46,165</u>
Total Preventative Health Services - Sexually Transmitted Disease Control Grants			<u>222,961</u>

(Continued)

**COUNTY OF ONONDAGA, NEW YORK
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2013**

Federal Grantor/Program Title	CFDA #	Pass-Through Grantor ID #	Federal Expenditures
U.S. Department of Health and Human Services (Continued):			
Pass-Through NYS Department of Health (Continued):			
Preventive Health and Health Services Block Grant	93.991	C026674	6,729
Preventive Health and Health Services Block Grant	93.991	C023001	<u>10,739</u>
Total Preventive Health and Health Services Block Grant			<u>17,468</u>
Maternal and Child Health Services Block Grant to the States	93.994	C023001	18,677
Maternal and Child Health Services Block Grant to the States	93.994	C026674	16,172
Maternal and Child Health Services Block Grant to the States	93.994	C026523	<u>95,363</u>
Total Maternal and Child Health Services Block Grant to the States			<u>130,212</u>
Centers for Disease Control and Prevention - Investigations and Technical Assistance	93.283	C023456	77,037
Pass-Through Health Research, Inc.:			
Centers for Disease Control and Prevention - Investigations and Technical Assistance	93.283	4696-01	<u>78,761</u>
Total Centers for Disease Control and Prevention - Investigations and Technical Assistance			<u>155,798</u>
Public Health Emergency Preparedness	93.069	1578-10	196,248
Public Health Emergency Preparedness	93.069	C128141	<u>(15,606)</u>
Total Public Health Emergency Preparedness			<u>180,642</u>
Pass-Through NYS Office of Alcohol and Substance Abuse Services:			
Block Grant for Prevention and Treatment of Substance Abuse	93.959		<u>1,943,929</u>
Pass-Through NYS Office of Mental Health:			
Medical Assistance Program	93.778		47,991
Pass-Through NYS Department of Health:			
Medical Assistance Program	93.778	C021374	440
Medical Assistance Program	93.778		<u>403,767,682</u>
Total Medical Assistance Program			<u>403,816,113</u>
Total U.S. Department of Health and Human Services			<u>497,503,503</u>
U.S. Department of Homeland Security and Emergency Services:			
Pass-Through NYS Division of Homeland Security and Emergency Services:			
Hazardous Material Assistance Program	97.021		<u>564</u>
Emergency Management Performance Grants	97.042		<u>11,841</u>
Interoperable Emergency Communications	97.055		<u>170,765</u>
Homeland Security Grant Program	97.067		2,652,736
Homeland Security Grant Program	97.067	C176505	275,854
Homeland Security Grant Program	97.067	C834575	<u>6,902</u>
Total Homeland Security Grant Program			<u>2,935,492</u>
Total U.S. Department of Homeland Security and Emergency Services			<u>3,118,662</u>
Total Expenditures of Federal Awards			<u>\$ 539,912,390</u>

See Accompanying Notes

COUNTY OF ONONDAGA, NEW YORK
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2013

1. BASIS OF PRESENTATION

Pass-Through Programs

Where the County of Onondaga, New York (the "County") receives funds from a government entity other than the federal government (pass-through), the funds are accumulated based upon the Catalog of Federal Domestic Assistance ("CFDA") number when advised by the pass through grantor. Identifying numbers, other than CFDA numbers, which may be assigned by pass-through grantors, are not maintained in the County's financial management system. County management has identified certain pass-through identifying numbers and included them in the schedule of expenditures of federal awards ("SEFA").

Non-Monetary Federal Programs

The County is awarded financial assistance programs that do not result in cash receipts or disbursements, termed "non-monetary programs." During the fiscal year ended December 31, 2013, the County distributed \$7,078,553 of Special Supplemental Nutrition Program for Women, Infants, and Children ("WIC") food instruments to eligible persons participating in the WIC Program (CFDA 10.557), \$12,116,797 of energy assistance to eligible persons under the Low-Income Home Energy Assistance Program (CFDA 93.568) and \$391,859,268 of medical goods and services were received by eligible persons participating in the Medical Assistance Program (CFDA 93.778), as listed in the accompanying schedule.

2. BASIS OF ACCOUNTING

The SEFA is presented on the modified accrual basis of accounting and the amounts presented are derived from the County's general ledger. Federal expenditures are recorded when an allowable cost is incurred under the applicable program and is due and payable. For programs with funding ceilings and caps, federal expenditures are only recorded and presented in the SEFA up to such amounts.

3. INDIRECT COSTS

Indirect costs are included in the reported expenditures to the extent such costs are included in the federal financial reports used as the source for the data presented.

4. MATCHING COSTS

Matching costs (i.e., the County's share of certain program costs) are not included in the schedule of expenditures of federal awards.

(Continued)

**COUNTY OF ONONDAGA, NEW YORK
 NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED DECEMBER 31, 2013**

5. SUBRECIPIENTS

A summary of the federal programs that pass-through federal monies to a subrecipient entity is provided below.

Federal Programs with Subrecipients	CFDA #	Amount
Edward Byrne Memorial Justice Assistance Grant Program	16.738	\$ 86,437
Highway Planning and Construction	20.205	1,186,512
Metropolitan Transportation Planning	20.505	209,871
Special Programs for the Aging, Title III, Part D, Disease Prevention and Health Promotion Services	93.043	14,859
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	316,063
Special Programs for the Aging, Title III, Part C Nutrition Services	93.045	685,606
National Family Caregiver Support, Title III, Part E	93.052	140,095
Nutrition Services Incentive Program	93.053	231,143
Block Grant for Prevention and Treatment of Substance Abuse	93.959	1,918,562

(Concluded)

**COUNTY OF ONONDAGA, NEW YORK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2013**

Part I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unmodified	
Internal control over financial reporting:		
Material weakness(es) identified?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no
Significant deficiencies identified?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> none reported
Noncompliance material to financial statements noted?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no

Federal Awards

Internal control over major programs:		
Material weakness(es) identified?	<input checked="" type="checkbox"/> yes	<input type="checkbox"/> no
Significant deficiencies identified?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> none reported

Type of auditor's report issued on compliance for major programs:	Qualified - Medical Assistance Program (93.778); Adoption Assistance (93.659) Unmodified - all other major programs
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Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133?	<input checked="" type="checkbox"/> yes	<input type="checkbox"/> no
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(Continued)

**COUNTY OF ONONDAGA, NEW YORK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2013**

Part I - Summary of Auditor's Results (Cont'd)

- The dollar threshold to determine Type A programs was \$3,000,000. The major federal programs of the County for the year ended December 31, 2013 were as follows:

U.S. Department of Agriculture

- Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) (10.557)
- State Administrative Matching Grants for Supplemental Nutrition Assistance Program (10.561)

U.S. Department of Transportation

- Highway Planning and Construction (20.205)

U.S. Environmental Protection Agency

- Congressionally Mandated Projects (66.202)

U.S. Department of Health and Human Services

- Low-Income Home Energy Assistance (93.568)
- Child Care and Development Block Grant (93.575)
- Foster Care - Title IV-E (93.658)
- Adoption Assistance (93.659)
- Social Services Block Grant (93.667)
- Temporary Assistance for Needy Families (93.558)
- Medical Assistance Program (93.778)

- The County was not considered a low-risk auditee for the year ended December 31, 2013.

**COUNTY OF ONONDAGA, NEW YORK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2013**

Part II - Findings and Questioned Costs Relating to Federal Awards

Reference: 13-01

U.S. Department of Health and Human Services

Pass-through entities: NYS Office of Mental Health and NYS Department of Health

Medical Assistance Program 93.778

Onondaga County Department of Social Services

Program Year: 2013

Criteria:

According to OMB Circular A-133 Compliance Supplement (“OMB Circular A-133”) Part III Eligibility para. (1) (b) (6), eligibility must be reviewed and reassessed with respect to those circumstances that may change, at least every 12 months.

The County’s internal controls should provide reasonable assurance that redetermination of eligibility is completed at least every 12 months in accordance with OMB Circular A-133.

Cause/Condition:

Current controls in place allow for County personnel to extend eligibility redetermination cases multiple times beyond the 12 month requirement. As a result, in 11 of 40 cases tested, redetermination of eligibility was not performed in a timely manner in accordance with OMB Circular A-133.

Questioned Costs:

None.

Effect:

The County was not in compliance with eligibility requirements in accordance with OMB Circular A-133.

Recommendation:

We recommend that the County review its existing policies and procedures that allow for eligibility redetermination to be extended beyond the 12 month requirement. The County should develop, document and implement an internal control structure that ensures compliance with redetermination requirements in accordance with OMB Circular A-133.

(Continued)

**COUNTY OF ONONDAGA, NEW YORK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2013**

Part II - Findings and Questioned Costs Relating to Federal Awards (Cont'd)

Reference: 13-01 (Cont'd)

Management's Response:

The month of redetermination cited in the audit is January 31, 2014. All 11 renewals cited were either complete or in varying degrees of pending at the time of review. All were cases completed by 3/31/14.

We are in the process of implementing a policy which requires staff to obtain Supervisor approval for a renewal extension. Any extension beyond two months would require approval of a Supervisor II.

**COUNTY OF ONONDAGA, NEW YORK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2013**

Part II - Findings and Questioned Costs Relating to Federal Awards (Cont'd)

Reference: 13-02

U.S. Department of Health and Human Services

Pass-through entities: NYS Department of Family Assistance

Adoption Assistance 93.659

Onondaga County Department of Social Services

Program Year: 2013

Criteria:

According to OMB Circular A-133 Part III Eligibility para. (2) (g), once a child is determined eligible to receive Title IV-E adoption assistance, he or she remains eligible and the subsidy continues until the age of 18 (or 21, if the IV-E agency determines that the child has a mental or physical disability which warrants the continuation of assistance).

Internal controls should provide reasonable assurance that the County complies with eligibility requirements according to OMB Circular A-133.

Cause/Condition:

The County's current policies and procedures are not operating effectively to allow for an appropriate review of a child's eligibility at the point that a child turns the age of 18. Specifically the following deficiencies in internal control over compliance were identified:

- There are no authorizations maintained in any case files.
- In 11 of 40 cases tested, the certifications were not properly filed with other information pertaining to the child's case.
- In 7 of 40 cases tested, certifications were incomplete or missing.
- In 17 of 23 cases involving hard to place children tested, the coding of a child's condition and eligibility was not correctly updated in the BICS or WCS system.
- In 4 of the 17 special needs cases tested, the confirmation of a disability was not properly documented.

(Continued)

**COUNTY OF ONONDAGA, NEW YORK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2013**

Part II - Findings and Questioned Costs Relating to Federal Awards (Cont'd)

Reference: 13-02 (Cont'd)

The County's current policies and procedures are not operating effectively to allow for an appropriate review of a child's eligibility at the point that a child turns the age of 18. Specifically the following deficiencies in compliance and internal control over compliance were identified:

- In 1 of 17 special needs cases tested, a parent who no longer had custody of the child was not sent a subsidy termination letter or given a fair hearing. In addition, there was no physician confirmation of the child's disability resulting in a total amount over claimed by the County of \$4,714.
- In 2 of 40 cases tested, payments were made on behalf of a child that was found to be ineligible in their adoption subsidy agreements resulting in a total amount over claimed by the County of \$4,371.
- In 17 of 40 cases tested, retroactive payments were not made prior to the respective cutoff dates. Furthermore, of these 17 cases tested, 8 resulted in a total amount over claimed by the County of \$8,750.
- In 17 of 23 hard to place children tested, unallowable payments were made at one point during the year of which 1 of the 17 cases tested resulted in an amount over claimed by the County of \$22.
- There were 8 additional cases of the 17 children tested with special needs where there was no confirmation of the child's disability from a physician resulting in a total amount over claimed by the County of \$45,099.

In addition, deficiencies in internal control over compliance led to 9 instances where amounts were under claimed for a total of \$2,177.

Questioned Costs:

\$62,956 known questioned costs.

Effect:

The County was not in compliance with eligibility requirements in accordance with OMB Circular A-133 resulting in questioned costs.

(Continued)

**COUNTY OF ONONDAGA, NEW YORK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2013**

Part II - Findings and Questioned Costs Relating to Federal Awards (Cont'd)

Reference: 13-02 (Cont'd)

Recommendation:

We recommend that the County reinforce existing policies and procedures that require a review of eligibility determination be made when a child reaches the age of 18. The County should utilize the current software in place that automatically indicates when a child reaches the age of 18 through a system generated report. At this point, eligibility determination should be reviewed, and Title IV-E adoption assistance should be discontinued for those children deemed ineligible.

Management's Response:

The Adoption Subsidy worker currently is the caseworker for 755 children. She does all of the work on their subsidies. This includes opening and closing cases, updating demographics, and recertifying the cases yearly. The annual certification is a labor intensive process, involving the request and tracking of information from adoptive parents, whose ongoing subsidies are not contingent upon their response to our requests. In many instances, repeated requests need to be made to the adoptive parents to gather the necessary documentation to form determination. This worker also processes the amendments for rate increases, death of a parent, etc.

Because of the high volume of work, in 2014, an additional ½ FTE caseworker was reassigned to assist with the duties. Deployment of additional staff resources is now deemed necessary to stay current with the high volume of work. Our action plan will include:

1. Assigning a Caseworker Supervisor B to work with the Adoption Subsidy worker. Besides direct supervisory duties, the Supervisor will be expected to work directly in the completion of the necessary paperwork requirements. The B Supervisor will ensure that the current electronic tracking software used to generate reports when a child reaches the age of 18 and redetermination of eligibility required will be reviewed and that appropriate action will be taken.
2. Improved electronic tracking of information. Because multiple requests for information from adoptive parents need to be made, and the high volume of information handled by through the process, an improved electronic tracking system is necessary.

(Continued)

**COUNTY OF ONONDAGA, NEW YORK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2013**

Part II - Findings and Questioned Costs Relating to Federal Awards (Cont'd)

Reference: 13-02 (Cont'd)

Management's Response (Cont'd):

To improve tracking of document requests, receipts, etc., the Supervisor, who has had Excel training, will be creating spreadsheets for use by the Unit. There will also be a spreadsheet to trigger alerts prior to important events such as the 18th birthday so that action can be initiated in advance.

Some of this has already been done. A form has been developed that is now attached to each document transmittal with information showing the child's age, date of adoption, eligibility, any retroactive payment lines, Level of Difficulty, and any case changes. Second, a chart is now posted visibly in the worker's cubicle listing all children who were/are adopted after they turn 16 years old and if they need documentation for their subsidy. Third, the Adoption Subsidy worker is now getting the anticipation future action report from the electronic TREAT system each month that shows children turning 18-21. When the Adoption Subsidy worker receives new cases, they are now double checking information on the subsidy agreement to see if there is consistency in the whole case record.

The Adoption Unit Supervisor and the administrative supervisor overseeing this Unit will be responsible to ensure that all policies and procedures currently in place are adhered to and that the procedures set forth in this response are also followed to prevent further inefficiencies.

During 2014, a quality assurance effort will also be implemented, with a random number of cases selected each month by the administrative supervisor for review. This internal review/audit of records will indicate whether the internal controls developed are being implemented effectively. Additional corrective action will be taken, if necessary, to ensure that proper controls are in place.

Findings from these monthly internal reviews will be communicated to the CFS Commissioner and the Deputy Commissioner of Child Welfare.

(Continued)

**COUNTY OF ONONDAGA, NEW YORK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2013**

Part II - Findings and Questioned Costs Relating to Federal Awards (Cont'd)

Reference: 13-03

U.S. Department of Health and Human Services

Pass-through entities: NYS Department of Family Assistance

Low-Income Home Energy Assistance 93.568

Onondaga County Department of Social Services

Program Year: 2013

Criteria:

According to OMB Circular A-133, Part III Eligibility, para. (1), assistance may only be provided to a) households in which one or more individuals receive Temporary Assistance for Needy Families (“TANF”), Supplemental Security Income (“SSI”) or Supplemental Nutrition Assistance Program (“SNAP”) benefits, or other certain needs-tested veterans benefits; or b) households with incomes which do not exceed the greater of 150 percent of the State’s established poverty level, or 60% of the State median income.

According to OMB Circular A-133, Part III Activities Allowed or Unallowed, para. (1), funds may be used to assist eligible households to meet the costs of home energy, i.e. heating or cooling their residences (42 USC 8621(a) and 8624(b)(1)).

Internal controls should provide reasonable assurance that only eligible individuals receive assistance under Federal award programs and that amounts provided to or on behalf of eligible recipients are both allowable and calculated in accordance with program requirements and supported by proper documentation.

Cause/Condition:

The County’s current policies and procedures are not operating effectively to ensure individuals fall within the income guidelines for receiving assistance. The following deficiencies occurred and resulted in noncompliance with OMB Circular A-133:

- In 3 of 40 cases tested, the recipient’s benefit amount was calculated incorrectly and the recipient was underpaid \$25.
- In 5 of 40 cases tested, the recipient’s benefit amount was calculated incorrectly resulting in the recipient, or a qualified third party, to be overpaid by a total of \$875.
- In 1 of 40 cases tested, the payment made on behalf of an eligible recipient was made to an unknown third party in the amount of \$400.
- In 3 of 40 cases tested, the recipient’s income was calculated incorrectly, however, the benefit amount was correct as the recipients were still classified in the correct tier.

(Continued)

**COUNTY OF ONONDAGA, NEW YORK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2013**

Part II - Findings and Questioned Costs Relating to Federal Awards (Cont'd)

Reference: 13-03 (Cont'd)

Cause/Condition (Cont'd):

The County did not follow current policies and procedures to ensure all expenditures charged to the HEAP program are paid to eligible individuals. The following internal control deficiencies were identified during testing:

- In 2 of 40 cases tested, the application did not include the applicant's signature.
- In 8 of 40 cases tested, there was no documentation to support the caseworker reviewed the file to ensure the applicant did not have a case open in another county.

Questioned Costs:

\$1,275 known questioned costs.

Effect:

The County was not in compliance with the OMB Circular A-133 requirements resulting in questioned costs.

Recommendation:

We recommend that the County review its existing policies and procedures over eligibility and activities allowed or unallowed as it specifically relates to the calculation of benefit amounts. We recommend that policies and procedures be developed, documented and implemented that require benefit amount calculations to be reviewed by a supervisor to ensure accuracy.

Management's Response:

The employee(s) involved have been made aware of the findings presented. We will reemphasize the requirement of following the procedures and policies in place to ensure compliance with program guidelines. This will be communicated to the staff specifically involved with the noted deficiencies as well as the entire staff of the related area.

Training will be provided in the beginning of August 2014 with a focus on Categorical Eligibility, Income Use/Calculation and the "J" screen on WMS. Distribution of the work load will be reviewed to improve accuracy and efficiency for the upcoming HEAP season.

Training will occur at the midpoint of HEAP season (January 2015) to reinforce the need for attention to detail.

(Continued)

**COUNTY OF ONONDAGA, NEW YORK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2013**

Part III - Status of Prior Year Federal Award Findings and Questioned Costs

Reference: 12-01

Status: See current year finding 13-02.

Reference: 12-02

Status: Management has taken corrective action.

Reference: 12-03

Status: Management has taken corrective action.

Reference: 12-04

Status: Management has taken corrective action.