

Livingston County, Michigan

**Federal Awards
Supplemental Information
December 31, 2014**

Livingston County, Michigan

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

Independent Auditor's Report

To the Board of Commissioners
Livingston County, Michigan

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 Livingston County, Michigan (the "County") as of and for the year ended December 31, 2014 and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated June 19, 2015, which contained unmodified opinions on those basic financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. We have not performed any procedures with respect to the audited financial statements subsequent to June 19, 2015. We did not audit the financial statements of the Livingston County Road Commission, which represent 59 percent, 72 percent, and 80 percent of the assets, net position, and revenues of the discretely presented component units, respectively. Those financial statements were audited by other auditors, whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for Livingston County Road Commission, is based on the report of the other auditors.

The accompanying schedule of expenditures of federal awards is presented for the purpose of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements 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 information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Plante & Moran, PLLC

June 19, 2015

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

Independent Auditor's Report

To Management and the Board of Commissioners
Livingston County, Michigan

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 Livingston County, Michigan (the "County") as of and for the year ended December 31, 2014 and related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated June 19, 2015. Our report includes a reference to other auditors who audited the financial statements of Livingston County Road Commission as described in our report on Livingston County, Michigan's basic financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of Livingston County Road Commission 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 Livingston County, Michigan's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

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

To Management and the Board of Commissioners
Livingston County, Michigan

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs, as Finding 2014-001, that we consider to be a significant deficiency.

Compliance and Other Matters

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

Livingston County, Michigan's Response to Finding

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

Purpose of this Report

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

Plante & Moran, PLLC

June 19, 2015

Report on Compliance for Each Major Federal Program;
Report on Internal Control Over Compliance

Independent Auditor's Report

To the Board of Commissioners
Livingston County, Michigan

Report on Compliance for Each Major Federal Program

We have audited Livingston County, Michigan's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2014. Livingston County, Michigan'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 each of its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Livingston County, Michigan'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 Livingston County, Michigan'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 Livingston County, Michigan's compliance.

To the Board of Commissioners
Livingston County, Michigan

Opinion on Each Major Federal Program

In our opinion, Livingston County, Michigan 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 December 31, 2014.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 2014-002 and 2014-003. Our opinion on each major federal program is not modified with respect to these matters.

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

Report on Internal Control Over Compliance

Management of Livingston County, Michigan 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 Livingston County, Michigan'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 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 a certain deficiency in internal control over compliance that we consider to be a material weakness and another deficiency that we consider to be a significant deficiency.

To the Board of Commissioners
Livingston County, Michigan

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance such that there is 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 deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as Finding 2014-002 to be a material weakness.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiency, 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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as Finding 2014-003 to be a significant deficiency.

Livingston County, Michigan'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/or corrective action plan. Livingston County, Michigan's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on them.

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.

Plante & Moran, PLLC

June 19, 2015

Livingston County

Schedule of Expenditures of Federal Awards Year Ended December 31, 2014

Federal Agency/Pass-through Agency/Program Title	CFDA Number	Federal Expenditures
Clusters:		
WIA Cluster - U.S. Department of Labor - Passed through the Michigan		
Workforce Development Agency:		
Adult - AY 2012	17.258	\$ 88,742
Adult - AY 2013	17.258	347,042
Adult - AY 2014	17.258	78,293
Youth - AY 2012	17.259	36,956
Youth - AY 2013	17.259	345,319
Youth - AY 2014	17.259	20,770
Dislocated Worker - AY 2011	17.278	6,150
Dislocated Worker - AY 2012	17.278	80,836
Dislocated Worker - AY 2013	17.278	337,821
Dislocated Worker - AY 2014	17.278	13,881
Dislocated Worker 2013 NR-EMRG-DWT NEG DW Training	17.277	28,590
Dislocated Worker 2014 NR-EMRG-JOBDRIV NEG	17.277	13,374
Statewide Activities - MWA Service Center Operations - AY12	17.258/17.259/17.278	501
Statewide Activities - MWA Service Center Operations - AY13	17.258/17.259/17.278	18,251
WIA Local Administration - AY 2013	17.258/17.259/17.278	75,099
WIA Local Administration - AY 2014	17.258/17.259/17.278	40,668
Statewide Activities Incentive	17.258/17.259/17.278	997
Total WIA Cluster		1,533,290
Employment Service Cluster - U.S. Department of Labor - Passed through the Michigan		
Workforce Development Agency:		
Wagner-Peyser Act ES 7A - AY 2013	17.207	174,081
Wagner-Peyser Act ES 7A - AY 2014	17.207	142,551
Total Employment Service Cluster		316,632
Highway Safety Cluster - U.S. Department of Transportation - Passed through the Michigan Office of Highway Safety and Planning - State and Community Highway Safety- STEP		
	20.600	9,287
Federal Transit Cluster - U.S. Department of Transportation:		
Federal Section 5307 Operating Assistance - 2013	20.507	2,032
Federal Section 5307 Operating Assistance - 2014	20.507	690,200
Federal Section 5307 Operating Assistance - 2015	20.507	265,975
Federal CMAQ Grant - People's Express	20.507	69,854
Federal Section 5307 Preventative Maintenance - 2014	20.507	223,189
	20.507	62,861
Total Federal Transit Cluster		1,314,111
Transit Services Program Cluster - U.S. Department of Transportation:		
Federal Section 5316 Operating Assistance - JARC - 2014	20.516	18,032
Immunization Cluster - U.S. Department of Health and Human Services - Passed through the State of Michigan Department of Community Health:		
Immunization IAP	93.268	79,265
Immunization - Vaccine for Children	93.268	52,953
Total Immunization Cluster		132,218

Livingston County

Schedule of Expenditures of Federal Awards (Continued) Year Ended December 31, 2014

Federal Agency/Pass-through Agency/Program Title	CFDA Number	Federal Expenditures
Clusters (Continued):		
Medicaid Cluster - U.S. Department of Health and Human Services - Passed through the State of Michigan Department of Community Health:		
Medicaid Outreach Activities	93.778	\$ 61,192
CSHCS Medicaid Outreach Activities	93.778	14,367
CSHCS Outreach & Advocacy	93.778	<u>40,000</u>
Total Medicaid Cluster		115,559
TANF Cluster - U.S. Department of Labor - Passed through the Michigan Workforce Development Agency:		
TANF - PATH FY14	93.558	112,511
TANF - PATH FY15	93.558	<u>37,083</u>
Total TANF Cluster		149,594
CDBG - State Administered Small Cities Program Cluster - U.S. Department of Housing and Urban Development - Passed through the Michigan State Housing Development Authority - Community Development Block Grant/ States Program	14.228	20,163
SNAP Cluster - U.S. Department of Agriculture - Passed through the Michigan Workforce Development Agency - FY14 SAM Grants-SNAP	10.561	2,934
Other federal awards:		
U.S. Department of Labor - Passed through the Michigan Workforce Development Agency:		
Trade Adjustment Assistance FY14 (2002)	17.245	76,107
Trade Adjustment Assistance FY14 (2009/2011)	17.245	320,091
Trade Adjustment Assistance FY15 (2002)	17.245	1,280
Trade Adjustment Assistance FY15 (2009/2011)	17.245	45,838
Trade Adjustment Assistance FY14 (2009/2011) MWA Case Management	17.245	99,198
Trade Adjustment Assistance FY15 (2009/2011) MWA Case Management	17.245	<u>47,530</u>
Total U.S. Department of Labor		590,044
U.S. Department of Agriculture - Passed through State of Michigan Department of Health Special Supplemental Food Program for Women, Infants, and Children	10.557	315,786
U.S. Department of Health and Human Services - Passed through the State of Michigan Department of Community Health:		
Bioterrorism- Focus A , EPI & CRI, Ebola	93.069	187,760
Maternal and Child Health Services	93.994	<u>32,601</u>
Total passed through the Michigan Department of Community Health		220,361
Passed through the State of Michigan Department of Human Services:		
Child Support Enforcement - Cooperative Agreement	93.563	894,532
Child Support Enforcement - Cooperative Agreement Incentives	93.563	272,913
Child Support Enforcement - Family Support Cooperative Agreement	93.563	<u>152,311</u>
Total passed through the Michigan Department of Human Services		1,319,756

Livingston County

Schedule of Expenditures of Federal Awards (Continued) Year Ended December 31, 2014

Federal Agency/Pass-through Agency/Program Title	CFDA Number	Federal Expenditures
Other federal awards (Continued):		
Passed through the State of Michigan Department of Agriculture and Rural Development - Food and Drug Administration Research	93.103	\$ 4,397
Passed through the National Association of County & City Health Officials - Center for Disease Control & Prevention Investigations and Technical Assistance	93.283	8,992
Substance Abuse & Mental Health Services	93.243	<u>50,682</u>
Total passed through the U.S. Department of Health and Human Services		1,604,188
U.S. Department of Homeland Security:		
Passed through Michigan State Police:		
Emergency Management Performance Grant (EMPG)	97.042	33,960
Homeland Security Grant Program	97.067	<u>93,589</u>
Total passed through Michigan State Police		127,549
Passed through State of Michigan Department of Natural Resources - Federal Boating Safety Assistance - Marine Safety Grant	97.012	<u>5,714</u>
Total passed through the U.S. Department of Homeland Security		133,263
U.S. Department of Justice:		
Federal Equitable Share Funds	16.922	187,785
DEA Overtime Reimbursement Program	Unknown	20,368
Drug Court Discretionary Grant	16.585	17,881
State Criminal Alien Assistance Program	16.606	5,042
Supervised Visitation & Safe Havens	16.527	<u>84,662</u>
Total U.S. Department of Justice		315,738
U.S. Environmental Protection Agency - Passed through the Michigan Department of Environmental Quality - State Drinking Water Revolving Fund - Standard	66.471	<u>5,090</u>
Total federal awards		<u>\$ 6,575,929</u>

Livingston County, Michigan

Notes to Schedule of Expenditures of Federal Awards Year Ended December 31, 2014

Note 1 - Basis of Presentation and Significant Accounting Policies

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of Livingston County, Michigan under programs of the federal government for the year ended December 31, 2014. Expenditures reported on the Schedule are reported on the same basis of accounting as the basic financial statements, although the basis for determining when federal awards are expended is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. In addition, expenditures reported on the Schedule are recognized following the cost principles contained in OMB Circular A-87, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Because the Schedule presents only a selected portion of the operations of Livingston County, Michigan, it is not intended to, and does not, present the financial position, changes in net position, or cash flows, if applicable, of Livingston County, Michigan. Pass-through entity identifying numbers are presented where available.

Note 2 - Subrecipient Awards

Of the federal expenditures presented in the Schedule, federal awards were provided to subrecipients as follows:

<u>Federal Program Title</u>	<u>CFDA Number</u>	<u>Amount Provided to Subrecipients</u>
Federal CMAQ Grant	20.507	\$ 69,854
Housing Development Authority - Community Development Block Grant/States Program	14.228	20,163
WIA Youth	17.259	296,470
Wagner Peyser Act ES 7(a)	17.207	148,728
Trade Adjustment Assistance	17.245	87,066
WIA Dislocated Workers	17.278	149,792
TANF Jet/Path	93.558	82,015
WIA Adult Program	17.258	112,821
Total		<u>\$ 966,909</u>

Livingston County, Michigan

Schedule of Findings and Questioned Costs Year Ended December 31, 2014

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? Yes None reported

Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? Yes 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 Circular A-133? Yes No

Identification of major programs:

CFDA Numbers	Name of Federal Program or Cluster
17.207	Employment Service Cluster
17.258, 17.259, 17.277, 17.278	Workforce Investment Act Cluster
20.507	Federal Transit Cluster
93.563	Child Support Enforcement

Dollar threshold used to distinguish between type A and type B programs: \$300,000

Auditee qualified as low-risk auditee? Yes No

Livingston County, Michigan

Schedule of Findings and Questioned Costs Year Ended December 31, 2014

Section II - Financial Statement Audit Findings

Reference Number	Finding
2014-001	<p>Finding Type - Significant deficiency</p> <p>Criteria - Bank reconciliations should be completed approximately six weeks subsequent to month end according to the Michigan Department of Treasury.</p> <p>Condition - The County did not prepare timely bank reconciliations.</p> <p>Context - The County did not reconcile January 2014 through November 2014 timely.</p> <p>Cause - The implementation of the new financial software and related processes within each department caused difficulty reconciling the bank reconciliations.</p> <p>Effect - Bank reconciliations were not performed or reviewed timely. Untimely preparation and review of bank reconciliations significantly increase the risk for misappropriation or other errors to occur.</p> <p>Recommendation - The County should implement procedures to ensure that bank reconciliations are performed and reviewed within six weeks subsequent to month end.</p> <p>Views of Responsible Officials and Planned Corrective Actions - The County concurs with the recommendation and has already corrected the process at year end.</p>

Section III - Federal Program Audit Findings

Reference Number	Finding
2014-002	<p>Program Name - Federal Transit Cluster, CFDA# 20.507</p> <p>Pass-through Entity - N/A</p> <p>Finding Type - Material weakness and material noncompliance with laws and regulations</p>

Livingston County, Michigan

Schedule of Findings and Questioned Costs (Continued) Year Ended December 31, 2014

Section III - Federal Program Audit Findings (Continued)

Reference Number	Finding
2014-002 (Cont.)	<p>Criteria - Per Circular FTA C 9030.ID (Urbanized Area Formula Program: Program Guidance and Application Instructions), revenue/contra items that directly offset public transportation expenses should be deducted when determining the net operating costs for federal reimbursement. Per review of FY 2014 Local Public Transit Revenue and Expense manual, other postemployment benefits are not eligible for state operating reimbursement if the costs is expensed but not paid during the year.</p> <p>Condition - Certain revenue amounts were not subtracted from operating expenses before requesting operating reimbursement. Such revenue amounts included passenger fares/contract fares for the entire year. Additionally, other postretirement benefit expenses (which were not paid during the year) were improperly included in the reimbursement request.</p> <p>Questioned Costs - None</p> <p>Context - The County erroneously failed to exclude the passenger fares from its reimbursement request, failed to include indirect costs in the reimbursements, and failed to deduct OPEB expenses. This error was discovered by the County prior to the audit and remediation of the error began before the audit took place; however, as amounts were overdrawn, there is still a compliance finding.</p> <p>Cause and Effect - The County does not have adequate controls in place to ensure net operating expenses, as described in FTA Circular 9030D, are being calculated properly. The County did discover the error prior to the audit and has repaid the amount that was overdrawn. These amounts have been excluded from the schedule of expenditures of federal awards, therefore resulting in no questioned costs.</p> <p>Recommendation - The County should develop adequate controls to ensure reimbursement requests are reviewed, prior to approval of the request.</p> <p>Views of Responsible Officials and Planned Corrective Actions - Circular 5010.ID regarding ineligible revenues and expenses has been posted in the ECHO Web Draw Requests log. Both the department director and deputy director have reviewed the document and will reference it before every draw request. The spreadsheets used to calculate the amount of the draw request have been revised to avoid future inaccuracies. The payment to refund overdrawn funds has been completed as of the date of this letter.</p>

Livingston County, Michigan

Schedule of Findings and Questioned Costs (Continued) Year Ended December 31, 2014

Section III - Federal Program Audit Findings (Continued)

Reference Number	Finding
2014-003	<p>Program Name - Child Support Enforcement Cluster (Family Support), CFDA #93.563</p> <p>Pass-through Entity - State of Michigan Department of Human Services</p> <p>Finding Type - Significant deficiency and material noncompliance with laws and regulations</p> <p>Criteria - Per 45 CFR 303.4, within 90 calendar days of locating the alleged father or noncustodial parent, regardless of whether paternity has been established, establish an order for support or complete service of process necessary to commence proceedings to establish a support order and, if necessary, paternity (or document unsuccessful attempts to serve process, in accordance with the State's guidelines defining diligent efforts under § 303.3(c)).</p> <p>Condition - Cases referred to the family support department during 2014 were not addressed within the 90-day timeframe.</p> <p>Questioned Costs - None</p> <p>Context - Based on discussions with clients, no cases referred to the family support department during 2014 were addressed within the 90-day timeframe. This was confirmed through a sample selection - of the three cases selected, the first action was taken on the case anywhere from 114-148 days from date of referral.</p> <p>Cause and Effect - The County did not have controls and processes in place to ensure that the 2014 cases that were referred to family support were addressed within the 90-day timeframe, and as a result, the first action taken on these cases was delayed.</p> <p>Recommendation - The County should determine how best to catch up with the backlog and stay on top of the cases as they come in.</p>

Livingston County, Michigan

Schedule of Findings and Questioned Costs (Continued) Year Ended December 31, 2014

Section III - Federal Program Audit Findings (Continued)

Reference Number	Finding
2014-003 (Cont.)	Views of Responsible Officials and Planned Corrective Actions - Prior to 2014, our previous five year average caseload referral rate was 331 per year. In 2014, that number significantly increased to 524 referrals. Through five months of 2015, we have received 186 referrals and are on pace to have 446 for the year. A staff member was on leave for an extended period of time, also causing a delay in processing. It is impossible to clear the backlog and timely process the ever-increasing volume of referrals within the referenced federal time frames. However, we will work diligently to process cases in a timely manner to be consistent with the guidelines.

Livingston County, Michigan

Summary Schedule of Prior Audit Findings Year Ended December 31, 2014

Prior Year Finding Number	Federal Program	Original Finding Description	Status	Planned Corrective Action
2013-004	Federal Transit Cluster, CFDA# 20.507, finding related to non-ARRA awards	The County included depreciation expense in operating expenses when determining the amount to request for federal reimbursements.	Corrected	N/A
2013-005	Federal Transit Cluster, CFDA# 20.507, finding related to non-ARRA awards	Certain revenue amounts were not subtracted from operating expenses before requesting operating reimbursement. Such revenue amounts included fuel sold to airport and rent, which all had costs reimbursed by the federal grant. In addition, passenger fares/contract fares for the quarter from July - September 2013 were also not subtracted from operating expenses.	Not Corrected	See finding 2014-002
2013-006	Federal Transit Cluster, CFDA# 20.507, finding related to non-ARRA awards	The County is a prime recipient of the federal transit CMAQ grant and passes through the entire amount to a subrecipient. The filing of the required FFATA report was not performed.	Corrected	N/A
2013-007	Federal Transit Cluster, CFDA# 20.507, finding related to non-ARRA awards	The County passes through funds to a subrecipient; however, it did not include the CFDA number or grant name in the contract. In addition, the County did not request the audit report from its subrecipient.	Corrected	N/A
2013-008	Federal Transit Cluster, CFDA# 20.507, finding related to non-ARRA awards	The County does not have a process in place to verify a person/business with whom it does business is not excluded or debarred.	Corrected	N/A
2013-009	Workforce Investment Act Cluster (Dislocated Worker), CFDA# 17.278	The County's controls failed to ensure proper documentation to show verification of eligibility took place.	Corrected	N/A