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# Oakland County, Michigan

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**Federal Awards Supplemental Information  
September 30, 2021**

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Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

**Independent Auditor's Report**

To the Board of Commissioners  
Oakland 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 Oakland County, Michigan (the "County") as of and for the year ended September 30, 2021 and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated March 25, 2022, which contained an unmodified opinion on the 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 March 25, 2022.

The County's basic financial statements include the operations of the Road Commission of Oakland County's discretely presented component unit, which expended \$2,365,111 in federal awards that is not included in the schedule of expenditures of federal awards during the year ended September 30, 2021. Our audit, described below, did not include the operations of the Road Commission of Oakland County because the Road Commission of Oakland County's discretely presented component unit engaged other auditors to perform an audit in accordance with the Uniform Guidance.

The accompanying schedule of expenditures of federal awards is presented for the purpose of additional analysis, as required by the Uniform Guidance, 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 financial statements as a whole.

*Plante & Moran, PLLC*

December 7, 2022

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  
Oakland County, Michigan

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Oakland County, Michigan (the "County") as of and for the year ended September 30, 2021 and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated March 25, 2022.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs as Finding 2021-001 to be a material weakness.

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as Finding 2021-002 to be a significant deficiency.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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*.

To Management and the Board of Commissioners  
Oakland County, Michigan

### **The County's Responses to the Findings**

The County's responses to the 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 the financial statements, and, accordingly, we express no opinion on them.

### **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*

March 25, 2022

Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance  
Required by the Uniform Guidance

**Independent Auditor's Report**

To the Board of Commissioners  
Oakland County, Michigan

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

We have audited Oakland County, Michigan's (the "County") compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Compliance Supplement that could have a direct and material effect on each of the County's major federal programs for the year ended September 30, 2021. 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 the Road Commission of Oakland County's discretely presented component unit, which expended \$2,365,111 in federal awards that is not included in the schedule of expenditures of federal awards during the year ended September 30, 2021. Our audit, described below, did not include the operations of the Road Commission of Oakland County because the Road Commission of Oakland County's discretely presented component unit engaged other auditors to perform an audit in accordance with the Uniform Guidance.

***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards 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 the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance"). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

***Opinion on Each Major Federal Program***

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of the major federal programs for the year ended September 30, 2021.

To the Board of Commissioners  
Oakland County, Michigan

### **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 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 the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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 have not been identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses and a significant deficiency.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as Findings 2021-003, 2021-005, and 2021-006 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 of 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 2021-004 to be a significant deficiency.

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 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Plante & Moran, PLLC*

December 7, 2022

# Schedule of Expenditures of Federal Awards

Year Ended September 30, 2021

Federal Agency/Pass-through Agency/Program Title	Assistance Listing Number	Pass-through Entity Identifying Number	Total Amount Provided to Subrecipients	Federal Expenditures	
U.S. Department of Agriculture - Food Donation Program:	10.550	n/a	\$ -	\$ 29,337	
Passed through Michigan Department of Education:					
National School Breakfast Program	10.553	(2)	630008006	-	41,887
National School Lunch Program	10.555	(2)	630008006	-	84,100
National School Lunch Program	10.555	(2)	630008006	-	5,697
Child and Adult Care Food Program	10.558		630008006	-	2,516
Child and Adult Care Food Program	10.558		630008006	-	<u>34,922</u>
Total passed through Michigan Department of Education			-	169,122	
Passed through Michigan Department of Health and Human Services - Michigan Fitness Foundation - State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	(1)		33,157	
Passed through Michigan Department of Health and Human Services:					
Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) Resident Services	10.557		E20211371-00	445,468	2,615,870
Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) Breastfeeding	10.557		E20211572-00	<u>56,603</u>	<u>243,314</u>
Total passed through Michigan Department of Health and Human Services			502,071	2,859,184	
Passed through Michigan Department of Labor and Economic Opportunity - Workforce Development - State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	(1)	202020Q875042	(815)	(815)
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	(1)	202020Q252042 202121S252042 202121Q750342	<u>147,640</u>	<u>167,320</u>
Total passed through Michigan Department of Labor and Economic Opportunity - Workforce Development				<u>146,825</u>	<u>166,505</u>
Total U.S. Department of Agriculture				648,896	3,257,305
U.S. Department of Housing and Urban Development - Community Development Block Grants/Entitlement Grants:					
Community Development Block Grant 16-17	14.218	(3)	n/a	22,505	22,505
Community Development Block Grant 17-18	14.218	(3)	n/a	128,449	157,518
Community Development Block Grant 18-19	14.218	(3)	n/a	403,196	532,506
Community Development Block Grant 19-20	14.218	(3)	n/a	625,316	2,453,511
Community Development Block Grant 20-21	14.218	(3)	n/a	337,966	1,135,418
Housing Counseling Assistance Program 20	14.169		n/a	-	45,770
Home Investment Partnership Program 16-17	14.239		n/a	-	7,800
Home Investment Partnership Program 17-18	14.239		n/a	-	59,875
Home Investment Partnership Program 18-19	14.239		n/a	-	1,309,376
Home Investment Partnership Program 19-20	14.239		n/a	-	1,176,683
Home Investment Partnership Program 20-21	14.239		n/a	-	214,396
COVID-19 - Community Development Block Cares Grant 2019	14.218	(3)	n/a	-	3,577,999
Emergency Solutions Grant Program 2019	14.231		n/a	-	1,030,960
Emergency Solutions Grant Program 2020	14.231		n/a	-	<u>402,764</u>
Total U.S. Department of Housing and Urban Development				1,517,432	12,127,081

(1) Denotes the Supplemental Nutrition Assistance Program Cluster  
(2) Denotes the Child Nutrition Cluster  
(3) Denotes the CDBG - Entitlement Grants Cluster

# County of Oakland, Michigan

## Schedule of Expenditures of Federal Awards (Continued)

Year Ended September 30, 2021

Federal Agency/Pass-through Agency/Program Title	Assistance Listing Number	Pass-through Entity Identifying Number	Total Amount Provided to Subrecipients	Federal Expenditures	
U.S. Department of Justice:					
Edward Byrne Memorial Justice Assistance Grant Program 19-22	16.738	n/a	\$ -	\$ 12,943	
Edward Byrne Memorial Justice Assistance Grant Program 20-23	16.738	n/a	-	45,049	
Bulletproof Vest Partnership Program	16.607	n/a	-	11,704	
Equitable Sharing Program	16.922	n/a	-	153,724	
COVID-19 - Coronavirus Emergency Supplemental Funding Program	16.034	n/a	-	3,292	
DNA Backlog Reduction	16.741	n/a	-	392,802	
DNA Backlog Reduction	16.741	n/a	-	22,152	
Passed through Federal Bureau of Investigation (FBI) - Project Safe Neighborhoods	16.609	n/a	-	19,180	
Passed through Michigan State Police:					
Edward Byrne Memorial Justice Assistance Grant	16.738	JAG-72181-N.E.T.-2021 - 2020- MU-BX-0011	-	217,080	
Paul Coverdell Forensic Sciences Improvement Grant Program 2020	16.742	2020-CD-BX-0022	-	3,414	
Paul Coverdell Forensic Sciences Improvement Grant Program 2021	16.742	2020-CD-BX-0050	-	58,177	
Total passed through Michigan State Police			-	<u>278,671</u>	
Total U.S. Department of Justice			-	939,517	
U.S. Department of Labor:					
Passed through Michigan Department of Labor and Economic Opportunity - Workforce Development:					
WIOA Adult Program Local Administration AY-19	17.258	(4)	AA332361955A26	54,268	136,105
WIOA Youth Activities Local Administration AY-19	17.259	(4)	AA332361955A26	54,268	136,105
WIOA Dislocated Worker Formula Grant Local Administration AY-19	17.278	(4)	AA332361955A26	54,283	136,146
WIOA Adult Program Local Administration AY-20	17.258	(4)	AA347752055A26	21,363	56,458
WIOA Youth Activities Local Administration AY-20	17.259	(4)	AA347752055A26	21,363	56,458
WIOA Dislocated Worker Formula Grant Local Administration AY-20	17.278	(4)	AA347752055A26	21,368	56,475
WIOA Adult AY-19	17.258	(4)	AA332361955A26	761,159	773,886
WIOA Adult AY-20	17.258	(4)	AA347752055A26	1,910,615	1,925,625
WIOA Adult AY-21	17.258	(4)	AA363262155A26	56,065	56,065
WIOA Youth AY-19	17.259	(4)	AA347752055A26	662,481	775,146
WIOA Youth AY-20	17.259	(4)	AA342361955A26	1,285,380	1,338,920
WIOA Dislocated Worker AY-19	17.278	(4)	AA332361955A26	305,722	418,524
WIOA Dislocated Worker AY-20	17.278	(4)	AA347752055A26	833,086	891,214
WIOA Dislocated Worker AY-21	17.278	(4)	AA363262155A26	52,626	52,626
Wagner Peyser (WP) Employment Services 7(A) AY-19	17.207	(5)	ES310291755A26	309,094	508,423
Wagner Peyser (WP) Employment Services 7(A) AY-20	17.207	(5)	ES335302055A26	1,407,223	1,468,525
Wagner Peyser (WP) Employment Services 7(A) AY-21	17.207	(5)	ES367602155A26	29,813	29,813
Wagner Peyser (WP) Employment Services MWSC PY-19	17.207	(5)	ES310291755A26	48,906	48,906
Unemployment Insurance State Administration RESEA 2019	17.225		UI328461960A26	10,086	10,086
Unemployment Insurance State Administration RESEA 2020	17.225		UI345032060A26	149,964	149,964
WIOA Adult Program Rapid Response AY-20	17.258	(4)	AA321961855A26	3,913	3,913
WIOA Youth Activities Rapid Response AY-20	17.259	(4)	AA321961855A26	4,281	4,281
WIOA Dislocated Worker Formula Grant Rapid Response AY-20	17.278	(4)	AA321961855A26	4,471	4,471
Trade Adjustment Assistance AY-18	17.245		TA317061855A26	(33,839)	(33,854)
Trade Adjustment Assistance AY-19	17.245		TA326581955A26	1,011,453	1,030,163
WIOA Adult Program Statewide Activities Capacity Building AY-19	17.258	(4)	AA332361955A26	30,310	30,310
WIOA Youth Activities Statewide Activities Capacity Building AY-19	17.259	(4)	AA332361955A26	32,934	32,934
WIOA Dislocated Workers Formula Grants Statewide Activities Capacity Building AY-19	17.278	(4)	AA332361955A26	27,233	27,233

(4) Denotes WIOA Cluster

(5) Denotes Employment Services Cluster

# County of Oakland, Michigan

## Schedule of Expenditures of Federal Awards (Continued)

Year Ended September 30, 2021

Federal Agency/Pass-through Agency/Program Title	Assistance Listing Number	Pass-through Entity Identifying Number	Total Amount Provided to Subrecipients	Federal Expenditures
U.S. Department of Labor (continued):				
Passed through Michigan Department of Labor and Economic Opportunity - Workforce Development (continued):				
WIOA Adult Program Statewide Activities SY Professional AY-19	17.258	(4) AA332361955A26	\$ 44,232	\$ 45,110
WIOA Youth Activities Statewide Activities SY Professional AY-19	17.259	(4) AA332361955A26	48,061	49,015
WIOA Dislocated Worker Formula Grants Statewide Activities SY Professional AY-19	17.278	(4) AA332361955A26	39,742	40,531
WIOA Adult Program Statewide Activities SY Professional AY-20	17.258	(4) AA347752055A26	27,954	29,707
WIOA Youth Activities Statewide Activities SY Professional AY-20	17.259	(4) AA347752055A26	30,442	32,351
WIOA Dislocated Worker Formula Grants Statewide Activities SY Professional AY-20	17.278	(4) AA347752055A26	24,553	26,092
WIOA National Emergency Grants C19 DIS REC	17.277	(4) DW349062060A26	273,997	273,997
Employment Service/Wagner Peysner Clean Slate Program PY-20	17.207	(4) ES334001955A26	70,872	104,049
WIOA Adult Program - SWA Integrated Education & TRNG (IET) AY-20	17.258	(4) AA332361955A26	10,385	10,385
WIOA Youth Activities - SWA Integrated Education & TRNG (IET) AY-20	17.259	(4) AA332361955A26	11,309	11,309
WIOA Dislocated Worker Formula Grants - SWA Integrated Education & TRNG (IET) AY-20	17.278	(4) AA332361955A26	9,122	9,122
WIOA Dislocated Worker Formula Grants - TET AY-18	17.278	(4) DW325501860A26	177,135	177,135
IFA Jobs for Veterans FY-20	17.801	(5) DV342762055526		
			14,208	14,208
IFA Jobs for Veterans FY-21	17.801	(5) DV357522155526	534	534
Unemployment Insurance PY20 - Infrastructure Funding Agreements FY-20	17.225	UI340652055A26		
			46,852	46,852
Unemployment Insurance PY21 - Infrastructure Funding Agreements FY-21	17.225	UI356552155A26	11,273	11,273
Total passed through Michigan Department of Labor and Economic Opportunity - Workforce Development			9,970,560	11,006,591
Passed through Southeast Michigan Community Alliance -				
H-1B Job Training Grants - Advance Michigan Center for Apprenticeship Innovation FY-17	17.268	AP280281560A26	215,594	215,594
Total U.S. Department of Labor			10,186,154	11,222,185
U.S. Department of Transportation:				
Passed through Michigan Department of Transportation Aeronautics - Airport Improvement Program	20.106	n/a	-	588,517
Passed through Michigan Department of State Police - Emergency Management & Homeland Security Division - Hazardous Materials Public Sector Training and Planning Grants	20.703	693JK31940022HMEP	-	10,375
Passed through Michigan Department of State Police - Office of Highway Safety Planning -				
Passed through Transportation Improvement Association:				
National Priority Safety Programs - FY-21 Drug Recognition Expert Call Out Reimbursement Agreement	20.616	(6) n/a	-	184
National Priority Safety Programs - FY-21 Oakland County Traffic Enforcement	20.616	(6) n/a	-	37,963
Total passed through Michigan Department of State Police - Office of Highway Safety Planning -				
Passed through Transportation Improvement Association			-	38,147
Total U.S. Department of Transportation			-	637,039
(4) Denotes WIOA Cluster				
(5) Denotes Employment Services Cluster				
(6) Denotes Highway Safety Cluster				

# County of Oakland, Michigan

## Schedule of Expenditures of Federal Awards (Continued)

Year Ended September 30, 2021

Federal Agency/Pass-through Agency/Program Title	Assistance Listing Number	Pass-through Entity Identifying Number	Total Amount Provided to Subrecipients	Federal Expenditures
U.S. Environmental Protection Agency: Brownfield Assessment Grant	66.818	n/a	\$ 36,687	\$ 164,750
Passed through Michigan Department of Environmental Quality: Capitalization Grants for Drinking Water State Revolving Funds	66.468	(7)	-	32,056
Capitalization Grants for Clean Water State Revolving Funds	66.458	(8)	-	<u>355,129</u>
Total passed through Michigan Department of Environmental Quality			-	<u>387,185</u>
Total U.S. Environmental Protection Agency			36,687	551,935
U.S. Department of Education - Office of Special Education and Rehabilitative Services - Passed through Michigan Rehabilitation:				
Rehabilitation Services - Vocational Rehabilitation Grants to States - Infrastructure Funding PY-20 FY-21	84.126	H126A200099	15,676	15,676
Rehabilitation Services - Vocational Rehabilitation Grants to States Infrastructure Funding FY-21	84.126	H126A200099	<u>4,152</u>	<u>4,152</u>
Total U.S. Department of Education			19,828	19,828
U.S. Office of National Drug Control Policy - Passed through Michigan State Police:				
2020 High Intensity Drug Trafficking Areas Program	95.001	G20SM0002A	19,500	34,386
2021 High Intensity Drug Trafficking Areas Program	95.001	G21SM0002A	56,163	115,950
2020 High Intensity Drug Trafficking Areas Program Reimbursement Funding for Forensic Lab Technician Firearms Position	95.001	n/a	-	9,078
2021 High Intensity Drug Trafficking Areas Program Reimbursement Funding for Forensic Lab Technician Firearms Position	95.001	n/a	-	<u>26,191</u>
Total U.S. Office of National Drug Control Policy			75,663	185,605
U.S. Department of the Treasury:				
COVID-19 - Coronavirus Relief Funds	21.019		34,773,004	128,711,522
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027		80,000	6,348,458
Passed through Michigan Department of Treasury - COVID-19 - Coronavirus Relief Funds - Public Safety and Public Health Payroll Reimbursement Program	21.019		-	318,703
Passed through Michigan Department of Health and Human Services:				
COVID-19 - Coronavirus Relief Funds - CRF Local Health Department Lab	21.019	E20213736-00	-	161,575
COVID-19 - Coronavirus Relief Funds - CRF Local Health Department Testing	21.019	E20213740-00	-	77,835
COVID-19 - Coronavirus Relief Funds - CRF Immunizations COVID Response	21.019	E20213758-00	-	45,969
COVID-19 - Coronavirus Relief Funds - CRF Local Health Department Contact Tracing	21.019	E20213739-00	-	<u>1,457,773</u>
Total passed through Michigan Department of Health and Human Services			-	1,743,152
Passed through Michigan Environment, Great Lakes, and Energy - COVID-19 - Coronavirus Relief Funds - Oakland County SARS COV-2 Wastewater Testing	21.019	2020-7518	-	<u>39,699</u>
Total U.S. Department of the Treasury			34,853,004	137,161,534

(7) Denotes Drinking Water State Revolving Fund Cluster

(8) Denotes Clean Water State Revolving Fund Cluster

Schedule of Expenditures of Federal Awards (Continued)

Year Ended September 30, 2021

Federal Agency/Pass-through Agency/Program Title	Assistance Listing Number	Pass-through Entity Identifying Number	Total Amount Provided to Subrecipients	Federal Expenditures
U.S. Department of Health and Human Services:				
COVID-19 - Cares Act Provider Relief Fund	93.498		\$ -	\$ 6,290
Passed through Michigan Department of Labor and Economic Opportunity - Workforce Development:				
Temporary Assistance For Needy Families (TANF), Partnership, Accountability, Training, Hope (PATH) FY-20	93.558	2001MITANF	191,482	267,810
Temporary Assistance For Needy Families (TANF), Partnership, Accountability, Training, Hope (PATH) FY-21	93.558	2001MITANF	2,244,714	2,431,487
Temporary Assistance For Needy Families (TANF), PATH Supportive Services FY-21	93.558	211MITANF	40,445	40,445
Temporary Assistance For Needy Families Refugee	93.558	2101MITANF	51,967	51,967
Total passed through Michigan Department of Labor and Economic Opportunity - Workforce Development			2,528,608	2,791,709
Passed through Michigan State Court Administrative Office - Grants to States for Access and Visitation Programs	93.597	SCAO-2021-023	-	26,000
Passed through Michigan Department of Health and Human Services:				
Child Support Enforcement - Friend of the Court	93.563	CSFOC17 - 63001	-	8,429,146
Child Support Enforcement - Friend of the Court Federal Incentives Payments	93.563	CSFOC17 - 63001	-	1,562,777
Child Support Enforcement - Prosecuting Co-Up Reimbursement	93.563	CSPA17 - 63002	-	1,632,249
Immunization Cooperative Agreements	93.268	N/A	-	698,350
Preventive Health Services - Sexually Transmitted Diseases Control Grants	93.977	E20211367-00	-	40,986
Immunization Cooperative Agreements	93.268	E20211577-00	-	8,100
Immunization Cooperative Agreements	93.268	E20211576-00	-	501,895
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	E20211368-00	-	22,994
HIV Prevention	93.940	E20211363-00	-	18,720
Maternal and Child Health Services Block Grant to States	93.994	E20211360-00	-	6,480
Medical Assistance Program - Children's Special Health Care Services (CSHCS) Care Coordination	93.778	(9) E20211377-00	-	29,153
Maternal and Child Health Services Block Grant to States	93.994	E20211377-00	-	37,941
Medical Assistance Program - CSHCS Medicaid Outreach	93.778	(9) E20211359-00	-	67,340
Medical Assistance Program - Children's Special Health Care Services (CSHCS) Outreach & Advocacy	93.778	(9) E20211376-00	-	147,202
Medical Assistance Program - CSHCS Medicaid Elevated Blood Lead Case Mgmt	93.778	(9) E20211573-00	-	6,846
Medical Assistance Program - Medicaid Outreach	93.778	(9) E20211879-00	-	673,225
Public Health Emergency Preparedness - Laboratory Services Bio	93.069	E20211365-00	-	14,538
Maternal, Infant and Early Childhood Home Visiting Grant - Nurse Family Partnership Services	93.870	E20211686-00	-	152,170
Medical Assistance Program - Nurse Family Partnership Services	93.778	(9) E20211686-00	-	216,881
Preventive Health Services - Sexually Transmitted Diseases Control Grants - Adolescent STD Screening	93.977	E20211356-00	-	71,842
Public Health Emergency Preparedness (PHEP) CRI 10/1/20 - 6/30/21	93.069	E20211574-00	-	130,177
Public Health Emergency Preparedness (PHEP) 10/1/20 - 6/30/21	93.069	E20211357-00	-	218,516
Public Health Emergency Preparedness (PHEP) CRI 7/1/21 - 9/30/21	93.069	E20214935-00	-	24,235
Public Health Emergency Preparedness (PHEP) 7/1/21 - 9/30/21	93.069	E20214943-00	-	61,322
Epidemiology and Laboratory Capacity for Infectious Diseases - West Nile Virus Community Surveillance	93.323	E20211373-00	-	10,000
Maternal and Child Health Services Block Grant to States - All Other	93.994	E20212047-00	-	321,457
Epidemiology and Laboratory Capacity for Infectious Diseases - Gonococcal Isolate Surveillance Project	93.323	E20211361-00	-	25,108
Maternal and Child Health Services Block Grant to States - FIMR Interview	93.994	E20211366-00	-	2,125
COVID-19 - Epidemiology and Laboratory Capacity for Infectious Diseases Covid-19 Contact Tracing				
Testing Coordination	93.323	E20212049-00	-	2,755,800
COVID-19 - Epidemiology and Laboratory Capacity for Infectious Diseases Covid-19 Infection Prevention	93.323	E20212048-00	-	21,946
COVID-19 - Epidemiology and Laboratory Capacity for Infectious Diseases Covid-19 Enhancing Detection	93.323	E20214314-00	-	3,870
COVID-19 - Epidemiology and Laboratory Capacity for Infectious Diseases Contact Tracing and Wraparound	93.323	E20215089-00	-	447,533
COVID-19 - Epidemiology and Laboratory Capacity for Infectious Diseases Sewer Network	93.323	E20215107-00	-	54,986
COVID-19 - Public Health Emergency Response Covid-19 Response	93.354	E20214574-00	-	1,000
COVID-19 - Immunization Cooperative Agreements Covid-19 Influenza Vaccination Supplemental	93.268	E20214318-00	-	126,549
COVID-19 - Medical Assistance Program Harm Reduction Supports Services	93.778	(9) E20214550-00	-	142,465
COVID-19 - Immunization Cooperative Agreements Covid Immunization	93.268	E20214707-00	-	1,273,458
COVID-19 - Preventive Health and Health Services Block Grant Eastern Equine Encephalitis Virus Surveillance Project	93.991	E20215106-00	-	8,344
Total passed through Michigan Department of Health and Human Services			-	19,967,726

(9) Denotes Medicaid Cluster

# County of Oakland, Michigan

## Schedule of Expenditures of Federal Awards (Continued)

Year Ended September 30, 2021

Federal Agency/Pass-through Agency/Program Title	Assistance Listing Number	Pass-through Entity Identifying Number	Total Amount Provided to Subrecipients	Federal Expenditures
U.S. Department of Health and Human Services (continued):				
Passed through Michigan Department of Health and Human Services - Passed through Oakland Community Health Network - Block Grants for Prevention and Treatment of Substance Abuse	93.959	2017-0016-SUDP#4	\$ -	\$ 169,648
Passed through Wayne State University:				
Nurse, Education, Practice, Equality and Retention Registered Nurse	93.359	UK1HP31702-03-00	-	40,289
Nurse, Education, Practice, Equality and Retention Registered Nurse	93.359	1UK1HP31702-04-00	-	7,143
Total passed through Wayne State University			-	47,432
Total U.S. Department of Health and Human Services			2,528,608	23,008,805
U.S. Department of Homeland Security:				
Passed through Michigan Department of State Police - Emergency Management and Homeland Security Division - Emergency Management Performance Grant	97.042	EMC-2021-EP-00006	-	61,242
Passed through County of Macomb, Michigan:				
Fiscal Year 2017 Homeland Security Grant Program	97.067	EMW-2017-SS-00013	-	81,387
Fiscal Year 2018 Homeland Security Grant Program	97.067	EMW-2018-SS-00042	-	221,283
Fiscal Year 2019 Homeland Security Grant Program	97.067	EMW-2019-SS-00021	-	348,394
Total passed through Michigan Department of State Police - Emergency Management and Homeland Security Division - Passed through County of Macomb, Michigan			-	651,064
Total passed through Michigan Department of State Police - Emergency Management and Homeland Security			-	712,306
Passed through Michigan Department of Natural Resources - Boating Safety Financial Assistance	97.012	MS21-017	-	97,050
Total U.S. Department of Homeland Security			-	809,356
Total federal expenditures			<b>\$ 49,866,272</b>	<b>\$ 189,920,190</b>

**Notes to Schedule of Expenditures of Federal Awards**

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**Year Ended September 30, 2021**

**Note 1 - Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of Oakland County, Michigan (the "County") under programs of the federal government for the year ended September 30, 2021. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance"). Because the Schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net position, or cash flows of the County.

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

Expenditures reported in the Schedule are reported on the same basis of accounting as the basic financial statements, with the exception of the expenditures related to ALN 66.468, Drinking Water State Revolving Fund (DWSRF), and ALN 66.458, Clean Water State Revolving Fund (CWSRF). The DWSRF and CWSRF expenditures are reported on the cash basis in accordance with the subrecipient reporting guidelines outlined in the 2021 OMB Compliance Supplement for ALN 66.468 and 66.458. Other expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement except for expenditures related to ALN 21.019, Coronavirus Relief Fund (CRF). CRF does not apply the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, but rather applies the U.S. Department of the Treasury's guidance and frequently asked questions, as outlined in the 2021 Compliance Supplement Addendum. Pass-through entity identifying numbers are presented where available.

The County has elected not to use the 10 percent *de minimis* indirect cost rate to recover indirect costs, as allowed under the Uniform Guidance.

Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

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## Schedule of Findings and Questioned Costs

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**Schedule of Findings and Questioned Costs**

**Year Ended September 30, 2021**

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

Noncompliance material to financial statements noted?        Yes   X   None reported

**Federal Awards**

Internal control over major programs:

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

Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR 200.516(a)?   X   Yes        No

Identification of major programs:

ALN	Name of Federal Program or Cluster	Opinion
21.019	Coronavirus Relief Fund	Unmodified
14.218	Community Development Block Grants/Entitlement Grants	Unmodified
21.027	Coronavirus State and Local Fiscal Recovery Funds	Unmodified
93.323	Epidemiology and Laboratory Capacity for Infectious Diseases	Unmodified

Dollar threshold used to distinguish between type A and type B programs: \$3,000,000

Auditee qualified as low-risk auditee?        Yes   X   No

Schedule of Findings and Questioned Costs (Continued)

Year Ended September 30, 2021

Section II - Financial Statement Audit Findings

Reference Number	Finding
2021-001	<p><b>Finding Type</b> - Material weakness</p> <p><b>Criteria</b> - The County should have a process in place to ensure year-end journal entries are properly recorded in accordance with generally accepted accounting principles (GAAP) prior to the commencement of the audit.</p> <p><b>Condition</b> - Year-end journal entries necessary to state the financial statements in accordance with GAAP were identified as part of the audit.</p> <p><b>Context</b> - The following material year-end journal entries were proposed by the auditors and posted by the County in order to ensure the financial statements were stated in accordance with GAAP:</p> <ul style="list-style-type: none"><li>- Adjustment of approximately \$14.8 million to increase property tax revenue and decrease unavailable revenue in the General Fund</li><li>- Adjustment of \$8.5 million to adjust expense and accounts payable in the Southeast Oakland County Sewage Disposal System (S.O.C.S.D.S.) Fund for an accrual that was recorded twice</li><li>- Adjustment of \$19.8 million to adjust expense and accrued liabilities in governmental activities in the government-wide financial statements</li></ul> <p>- In addition, there was an uncorrected misstatement, the effects of which management has determined are immaterial to the financial statements taken as a whole. The uncorrected misstatement related to an intergovernmental receivable and related unavailable revenue in the fund statements and revenue in the government-wide financial statements.</p> <p><b>Cause</b> - Processes were not in place to ensure year-end closing entries were properly recorded in the general ledger prior to the commencement of the audit.</p> <p><b>Effect</b> - If the year-end journal entries identified above had not been recorded, the financial statements would have been materially misstated.</p> <p><b>Recommendation</b> - The County should continue to work with all applicable departments to ensure their control procedures properly identify and record all year-end journal entries.</p>

**Schedule of Findings and Questioned Costs (Continued)**

**Year Ended September 30, 2021**

**Section II - Financial Statement Audit Findings (Continued)**

Reference Number	Finding
2021-001 Cont.	<p><b>Views of Responsible Officials and Planned Corrective Actions</b> - Oakland County, Michigan agrees with the finding and will ensure processes for reviewing similar transactions take place and are properly recorded in future years.</p> <p>- The property tax revenue year-end adjustment is to record the estimated tax collections within 60 days after year end. The property tax collection report as of September 30, 2021 and historical collection trend information was used to determine a reasonable estimate for the timing of revenue recognition. The reduced collections as of September 30, 2021 were reviewed in conjunction with the treasurer's office and attributed to the lagging economic impacts of the pandemic. The actual collection within 60 days after September 30 was more than estimated, and an additional \$14.8 million of revenue was recognized in fiscal year 2021 activity.</p> <p>The County will run additional collection reports during the 60-day revenue recognition window to monitor any material change in the timing of collections that would prompt a self-determined update to the original estimate.</p> <p>- The \$8.5 million adjustment in the S.O.C.S.D.S. Fund was related to an expense accrual that was initially set up in fiscal year 2020 and was not reversed in fiscal year 2021 when the actual payment was made. There are two separate funds that roll up to the S.O.C.S.D.S. reporting column, and the duplicate liability was not detected. It is important to note that no duplication of payment occurred.</p> <p>Additional measures will be taken to review the accrual and reversal process, and the accrual functionality within the new financial system will be leveraged to avoid this issue in the future.</p> <p>- The \$19.8 million adjustment to expense and accrued liabilities was recorded for an estimated potential liability related to a 2015 court case involving foreclosed property activity. The County prevailed in a ruling issued by the Oakland County Circuit Court on July 27, 2021 that the Michigan Supreme Court's 2020 decision on claims should be applied prospectively. It was determined that no liability was required to be recorded in the governmental funds financial statements. However, given the highly complex legal history of the case and the uncertainty in the pending appeal process, it was determined late in the audit process to record a potential liability in the fiscal year 2021 government-wide financial statements only.</p>

Schedule of Findings and Questioned Costs (Continued)

Year Ended September 30, 2021

Section II - Financial Statement Audit Findings (Continued)

Reference Number	Finding
2021-002	<p><b>Finding Type</b> - Significant deficiency</p> <p><b>Criteria</b> - The County should have a process in place to complete year-end adjustments and supporting reconciliations and accounting records in a timely manner prior to the commencement of the audit.</p> <p><b>Condition</b> - The County's general ledger and underlying accounting records were not reconciled and closed in a timely manner for certain balances.</p> <p><b>Context</b> - The County provided year-end adjustments and general ledger balances for a variety of accounts related to the year ended September 30, 2021 in March 2022 after the commencement of the audit.</p> <p><b>Cause</b> - The County has experienced staffing reductions and reassignments over the past year, resulting in responsibilities being divided among fewer staff.</p> <p><b>Effect</b> - Untimely preparation of year-end adjustments and supporting reconciliations and accounting records does not provide adequate time for the County to review and could lead to inaccurate financial reporting. In addition, providing adjustments and general ledger balances after the commencement of the audit creates inefficiencies in the process.</p> <p><b>Recommendation</b> - The County should ensure it has adequate resources to fully and accurately reconcile and record year-end entries prior to the start of the audit.</p> <p><b>Views of Responsible Officials and Planned Corrective Actions</b> - Oakland County, Michigan agrees with the finding and will work to ensure these items are completed in a more timely manner in future years. The County is in the process of implementing a new enterprise resource planning (ERP) system, with the financial aspect of the system planned to go live in May 2022. In addition to the personnel resource drain of the implementation, as part of larger workforce planning efforts, the County has offered a Voluntary Early Separation Incentive Program (VESIP) to many of its long-time employees, including several key members of the fiscal staff. These two major events have created a heavy drain on the personnel resources of the County. Coupled with the challenges of full staffing during the height of the last surge of the pandemic, the County was slightly behind in the reconciliation of year-end schedules.</p> <p>It is the County's belief that once the new ERP system has been implemented, the number of competing priorities will diminish, and the workload of staff will return to a manageable level. The ERP will also allow staff to take advantage of new efficiencies and reconcile accounting records on a monthly/quarterly basis. This will prevent or highlight any issues before the audit process begins.</p>

Schedule of Findings and Questioned Costs (Continued)

Year Ended September 30, 2021

Section III - Federal Program Audit Findings

Reference Number	Finding
2021-003	<p><b>ALN, Federal Agency, and Program Name</b> - 21.027, U.S. Department of the Treasury, COVID-19 - Coronavirus State and Local Fiscal Recovery Funds</p> <p><b>Federal Award Identification Number and Year</b> - 2021</p> <p><b>Pass-through Entity</b> - Not applicable</p> <p><b>Finding Type</b> - Material weakness and material noncompliance with laws and regulations</p> <p><b>Repeat Finding</b> - No</p> <p><b>Criteria</b> - Per Section 602(g)(1) of the Social Security Act, as added by Section 9901 of the American Rescue Plan Act of 2021, Pub. L. No. 117-2 and Treasury's Interim Final Rule at 31 C.F.R. §35.5(a), recipients may use funds only to cover costs incurred during the period beginning on March 3, 2021 and ending on December 31, 2024.</p> <p><b>Condition</b> - The County charged certain expenditures to the grant that were outside the period of performance.</p> <p><b>Questioned Costs</b> - \$229,394</p> <p><b>Identification of How Questioned Costs Were Computed</b> - Questioned costs of \$229,394 resulted from expenditures incurred outside of the period of performance being charged to the grant.</p> <p><b>Context</b> - The County incurred expenditures in the amount of \$229,394 that were incurred outside the period of performance. During our audit, we identified three samples totaling \$194,609 in costs incurred in February 2022, and the County identified an additional \$34,785 incurred before March 3, 2022 after reviewing the beginning program expenditures.</p> <p><b>Cause and Effect</b> - The County did not have a process in place to review checks underlying support to ensure services were performed within the period of performance for the beginning of the grant agreement. The schedule of expenditures of federal awards (SEFA) was not corrected for this error.</p> <p><b>Recommendation</b> - We recommend that the County implement a process to ensure that all expenditures are incurred within the period of performance, as specified in the grant agreements.</p>

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Schedule of Findings and Questioned Costs (Continued)

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Year Ended September 30, 2021

Section III - Federal Program Audit Findings (Continued)

Reference  
Number

Finding

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**Views of Responsible Officials and Planned Corrective Actions** - The County agrees with the finding and will ensure processes for reviewing similar transactions take place and are properly recorded in future years.

The volume of transactions and invoices related to federal COVID-19 funding resulted in one invoice using the pay date of the invoice and not the actual date of service, which varied by a few days. This has been a period of significant transition for the County. The County has had a high volume of retirements as a result of the Voluntary Early Separation Incentive Program offer to long-time county employees, including the grant manager, budget chief, and fiscal services officer.

The County has a new financial system in place that will allow notification of expenditures outside of the period of performance. Also, the County has contracted a third-party resource to provide additional compliance support, given the volume of pandemic-related funding and employee turnover.

Schedule of Findings and Questioned Costs (Continued)

Year Ended September 30, 2021

Section III - Federal Program Audit Findings (Continued)

Reference Number	Finding
2021-004	<p><b>ALN, Federal Agency, and Program Name</b> - 21.019, U.S. Department of the Treasury, COVID-19 - Coronavirus Relief Funds</p> <p><b>Federal Award Identification Number and Year</b> - 2020</p> <p><b>Pass-through Entity</b> - Not applicable</p> <p><b>Finding Type</b> - Significant deficiency</p> <p><b>Repeat Finding</b> - Yes, 2020-002</p> <p><b>Criteria</b> - Per 2 CFR 200.332, pass-through entities are required to include certain elements in subrecipient agreements.</p> <p><b>Condition</b> - The County did not have an executed subrecipient agreement with the required elements for certain subrecipients.</p> <p><b>Questioned Costs</b> - None</p> <p><b>Identification of How Questioned Costs Were Computed</b> - Not applicable</p> <p><b>Context</b> - The County passed through \$34.8 million of CRF funding to various subrecipients in 2021. The County did not have a complete executed subrecipient agreement for certain agreements that included all elements outlined in 2 CFR 200.332. The County, however, facilitated a training session for the subrecipients prior to the subrecipients spending the funding. Through this training, the County outlined the subrecipients' role and responsibilities under the agreement.</p> <p><b>Cause and Effect</b> - For certain subrecipients, the County did not execute a complete subrecipient agreement with all the required elements outlined in 2 CFR 200.332. Therefore, subrecipients are at greater risk of noncompliance due to the lack of information in the agreement.</p> <p><b>Recommendation</b> - We recommend that the County implement a process to ensure that a subrecipient agreement with the required elements, as outlined in 2 CFR 200.332, is in place for all subrecipients of the County.</p> <p><b>Views of Responsible Officials and Planned Corrective Actions</b> - The County agrees with the finding and will ensure processes have the required elements, as outlined in 2 CFR 200.332, included in applicable agreements.</p> <p>The volume of transactions and agreements related to the CRF funding resulted in the agreements in question being missed for having an executed amendment to add the 2 CFR 200.332 required elements. The County's grant program managers are to have the relationship determined and documented at the outset of the agreement, and those involved in the preparation and administration of the agreement are to include the required elements, as outlined in 2 CFR 200.332. Also, the County has contracted a third-party resource to provide additional compliance support, given the volume of pandemic-related funding.</p>

Schedule of Findings and Questioned Costs (Continued)

Year Ended September 30, 2021

Section III - Federal Program Audit Findings (Continued)

Reference Number	Finding
2021-005	<p><b>ALN, Federal Agency, and Program Name</b> - ALN 14.218, Community Development Block Grants Cluster, Community Development Block Grants Program, CDBG and COVID-19 CDBG-CV</p> <p><b>Federal Award Identification Number and Year</b> - N/A</p> <p><b>Pass-through Entity</b> - N/A</p> <p><b>Finding Type</b> - Material weakness</p> <p><b>Repeat Finding</b> - No</p> <p><b>Criteria</b> - 2 CFR 200.302 states that the financial management system of each nonfederal entity must provide records that adequately identify the source and application of funds for federally funded activities. These records must contain information pertaining to federal awards, authorizations, financial obligations, unobligated balances, assets, expenditures, income, and interest and be supported by source documentation.</p> <p><b>Condition</b> - The County was unable to reconcile the dollar amount of drawdowns filed during the year to the expenses reported per the schedule of expenditures of federal awards.</p> <p><b>Questioned Costs</b> - None</p> <p><b>Identification of How Questioned Costs Were Computed</b> - N/A</p> <p><b>Context</b> - The amount of PR-07 reports submitted by the County during the year that represent funds to be reimbursed for costs incurred totaled \$8,524,685. However, the total expenses incurred per the schedule of expenditures of federal awards is \$7,879,457. The County was unable to provide a reconciliation between the two.</p> <p><b>Cause and Effect</b> - There is no control in place to ensure that the drawdowns are reconciled to the SEFA. The lack of a reconciliation could lead to a misstatement of the SEFA and possibly impact major program determination.</p> <p><b>Recommendation</b> - Plante &amp; Moran, PLLC recommends that the County reconcile the drawdowns submitted during the year to the amount reported in the SEFA.</p> <p><b>Views of Responsible Officials and Planned Corrective Actions</b> - The County agrees with the finding and is developing reports in the new financial system that will tie to the drawdown of expenditures.</p> <p>This is one of the issues created by the partial implementation of a new county-wide ERP system. The human resources and payroll departments were in the new system, and the financial department was in the old system. There were also several staff transitions. The processes in the old system were not capturing all the expenditures paid in the new system. Coupled with the change in the grant team management, the County was left without firsthand knowledge of the processes set up in the new system.</p> <p>As new staff are coming on board and a new financial system is being implemented, the new processes are being documented and incorporate thorough checklists and periodic reconciling tasks to ensure all drawdowns reconcile.</p>

**Schedule of Findings and Questioned Costs (Continued)**

**Year Ended September 30, 2021**

**Section III - Federal Program Audit Findings (Continued)**

Reference Number	Finding
2021-006	<p><b>CFDA Number, Federal Agency, and Program Name</b> - ALN 14.218, Community Development Block Grants Cluster, Community Development Block Grants Program (CDBG)</p> <p><b>Federal Award Identification Number and Year</b> – 2021</p> <p><b>Pass-through Entity</b> - N/A</p> <p><b>Finding Type</b> – Material weakness and material noncompliance with laws and regulations</p> <p><b>Repeat Finding</b> - No</p> <p><b>Criteria</b> - The Federal Funding Accountability and Transparency Act (FFATA), as amended by 6202 of Public La 110-252, requires a prime grant awardee to report its subgrants using the FFATA Subaward reporting System (FSRS) tool. The prime recipient will have until the end of the month plus one additional month after an award or sub-award is obligated to fulfill the reporting requirement.</p> <p><b>Condition</b> – The County did not file the required FFATA reports for CDBG subrecipients.</p> <p><b>Questioned Costs</b> – None</p>

**Identification of How Questioned Costs Were Computed** – Not applicable

**Context** - The following table summarizes the transactions examined and the noncompliance identified for subwards obligated during fiscal year 2021 :

Transactions Tested	Subaward Reported	Not Reported	Report Timely	Not Timely	Subaward Amount Incorrect	Subaward Missing Elements	Key Elements
19	19		19		0	0	
Dollar Amount of Tested Transactions	Subaward Reported	Not Reported	Report Timely	Not Timely	Subaward Amount Incorrect	Subaward Missing Elements	Key Elements
\$2,460,989	\$2,460,989		\$2,460,989		\$0	\$0	

**Cause and Effect** - The County’s processes did not properly identify the FFATA filing requirements and as a result failed to file any of the required FFATA reports.

**Recommendation** - The County should implement controls to ensure that required reports are filed and in a timely manner.

**Schedule of Findings and Questioned Costs (Continued)**

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**Year Ended September 30, 2021**

**Section III - Federal Program Audit Findings (Continued)**

Reference Number	Finding
	<p><b>Views of Responsible Officials and Corrective Action Plan</b> – The County agrees with the finding and will ensure processes for filing appropriate documentation takes place and are properly recorded in future years. The report filing will also be added to a checklist for CDBG subrecipients.</p>
	<p>The volume of transactions and agreements related to the CRF and ARP funding resulted in two subrecipient reports not being able to be located. The County Grant Supervisor was busy with a new financial implementation and then retired during the fiscal year. Even though, the County has contracted a third-party resource to provide additional compliance support given the volume of pandemic related funding, we were unable to locate the proper documentation.</p>