

FEDERAL AWARDS INFORMATION

COUNTY OF CHAUTAUQUA, NEW YORK
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2022

Federal Grantor/Pass-Through Grantor/Program or Cluster Title (1a)	Federal Assistance Listing Number (1b)	Pass-Through Entity Identifying Number (1c)	Passed Through to Sub- Recipients	Total Federal Expenditures (1d)
U.S. DEPARTMENT OF AGRICULTURE:				
Direct Programs:				
Schools and Roads - Grants to Counties	10.666	N/A	\$ -	\$ 216
Passed Through NYS Department of Health:				
Child and Adult Care Food Program	10.558	CACFP	-	3,478
Passed Through NYS Office of Temporary and Disability Assistance:				
<i>SNAP Cluster</i>				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	N/A	-	2,262,317
<i>Total SNAP Cluster</i>			-	2,262,317
Total U.S. Department of Agriculture			-	2,266,011
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:				
Passed through NYS Housing Agencies:				
Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14.228	222ME984-21	98,661	98,661
Passed through NYS Office of Lead Hazard Control and Healthy Homes:				
Lead Hazard Reduction Demonstration Grant Program	14.905	NYLHB-0758-20	680,842	713,562
Total U.S. Department of Housing and Urban Development			779,503	812,223
U.S. DEPARTMENT OF JUSTICE:				
Direct Programs:				
Coronavirus Emergency Supplemental Funding	16.034	N/A	-	58,008
State Criminal Alien Assistance Program	16.606	N/A	-	26,543
Comprehensive Opioid, Stimulant, and Other Substances Use Program	16.838	N/A	-	36,591
Passed through NYS Office of Victim Services:				
Crime Victim Assistance/Discretionary Grants	16.575	C-10927GG	-	91,167
Passed through NYS Division of Criminal Justice Services:				
Crime Victim Assistance	16.575	C-10858GG	-	71,310
Edward Byrne Memorial Justice Assistance Grant Program	16.738	N/A	-	(920)
Total U.S. Department of Justice			-	282,699
U.S. DEPARTMENT OF TRANSPORTATION:				
Direct Programs:				
Airport Improvement Program	20.106	3-36-0022-57-2020	-	5,256
Airport Improvement Program	20.106	3-36-0022-059-2021	-	53,554
Airport Improvement Program	20.106	3-36-0022-061-2021	-	515,482
Airport Improvement Program	20.106	3-36-0048-48-2018	-	70,008
Airport Improvement Program	20.106	3-36-0048-50-2019	-	51,797
Airport Improvement Program	20.106	3-36-0048-56-2021	-	5,318,147
Airport Improvement Program	20.106	3-36-0048-53-2020	-	40,724
Total Airport Improvement Program			-	6,054,968

(continued)

COUNTY OF CHAUTAUQUA, NEW YORK
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2022

Federal Grantor/Pass-Through Grantor/Program or Cluster Title (1a)	Federal Assistance Listing Number (1b)	Pass-Through Entity Identifying Number (1c)	Passed Through to Sub- Recipients	Total Federal Expenditures (1d)
Passed through NYS Department of Transportation:				
Formula Grants for Rural Areas	20.509	C-004107	-	46,839
<i>Highway Planning and Construction Cluster</i>				
Highway Planning and Construction Projects	20.205	D-040327	-	2,281
Highway Planning and Construction Projects	20.205	D-036425	-	19,364
Highway Planning and Construction Projects	20.205	D-035636	-	1,820,337
Total Highway Planning and Construction Cluster			-	1,841,982
Passed through NYS Division of Homeland Security:				
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	T-835696	-	3,616
Total U.S. Department of Transportation			-	7,947,405
U.S. DEPARTMENT OF THE TREASURY:				
Direct award:				
Emergency Rental Assistance Program	21.023	N/A	-	5,000
Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	-	5,914,068
Total U.S. Department of the Treasury			-	5,919,068
U.S. ENVIRONMENTAL PROTECTION AGENCY:				
Passed through NYS Department of Health:				
Beach Monitoring and Notification Program Implementation Grants	66.472	C-029637	-	10,100
Total U.S. Environmental Protection Agency			-	10,100
U.S. DEPARTMENT OF EDUCATION:				
Passed through NYS Department of Health:				
Special Education - Grants for Infants and Families with Disabilities	84.181	C-36394GG	-	60,768
Total U.S. Department of Education			-	60,768
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:				
Direct Programs:				
Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances (SED)	93.104	N/A	-	938,403
Certified Community Behavioral Health Clinic Expansion Grants	93.696	N/A	-	421,907
Section 223 Demonstration Programs to Improve Community Mental Health Services	93.829	N/A	-	1,136,232
Rural Health Care Services Outreach, Rural Health Network Development and Small Health Care Provider Quality Improvement	93.912	N/A	-	264,355

(continued)

COUNTY OF CHAUTAUQUA, NEW YORK
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2022

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Passed through Health Research Inc.:				
Public Health Emergency Preparedness	93.069	HRI 1587-15	-	41,297
Public Health Emergency Preparedness	93.069	HRI 1587-16	-	50,596
Injury Prevention and Control Research and State and Community Based Programs	93.136	HRI 6148-03	-	51,409
Injury Prevention and Control Research and State and Community Based Programs	93.136	HRI 6148-04	-	20,413
Immunization Cooperative Agreements	93.268	C-36920GG	-	46,888
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	HRI 6425-01	-	797,309
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	HRI 6816-01	-	448,421
Passed through NYS Department of Health:				
Medical Assistance Program	93.778	C-34813GG	-	43,265
Medical Assistance Program	93.778	N/A	-	2,170,544
Maternal and Child Health Services Block Grant to the States	93.994	C-36977GG	-	21,750
Maternal and Child Health Services Block Grant to the States	93.994	C-35708GG	-	31,189
Passed through Columbia University:				
Drug Abuse and Addiction Research Programs	93.279	N/A	-	148,445
Passed through NYS Office of Temporary and Disability Assistance:				
Temporary Assistance for Needy Families	93.558	N/A	-	11,634,868
Child Support Enforcement	93.563	N/A	-	1,375,478
Low-Income Home Energy Assistance	93.568	N/A	-	9,686,941
Passed through NYS Office of Children and Family Services:				
Guardianship Assistance	93.090	N/A	-	32,182
Promoting Safe and Stable Families	93.556	N/A	-	31,505
<i>Child Care and Development Fund Cluster</i>				
Child Care and Development Block Grant	93.575	N/A	-	3,476,344
<i>Total Child Care and Development Fund Cluster</i>				
			-	3,476,344
Child Welfare Services Program	93.645	N/A	-	73,063
Foster Care, Title IV-E	93.658	N/A	-	2,784,209
Adoption Assistance	93.659	N/A	-	1,108,340
Social Services Block Grant	93.667	N/A	-	622,763
Child Abuse and Neglect State Grants	93.669	N/A	-	101,286
Chafee Foster Care Independence Program	93.674	N/A	-	15,703
Elder Abuse Prevention Interventions Program	93.747	N/A	-	30,500
Passed through NYS Office for the Aging:				
<i>Aging Cluster</i>				
Special Programs for the Aging, Title III Part B	93.044	III-B	-	48,669
Special Programs for the Aging, Title III Part C	93.045	III-C	-	423,324
Nutrition Services Incentive Program	93.053	NSIP	-	100,039
<i>Total Aging Cluster</i>				
			-	572,032
Special Programs for the Aging, Title III, Part D - Disease				
Prevention and Health Promotion Services	93.043	III-D	-	6,049
National Family Caregiver Support, Title III, Part E	93.052	III-E	-	80,763
Medical Assistance Enrollment Assistance Program	93.071	MIPPA / ADRC	-	(7,721)
Demonstrations and Evaluations	93.779	HIICAP	-	30,612

(continued)

COUNTY OF CHAUTAUQUA, NEW YORK
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2022

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(concluded)				
Passed through NYS Office of Mental Hygiene:				
Medical Assistance Program	93.778	N/A	-	68,612
Block Grants for Community Mental Health Services	93.958	N/A	-	310,000
Passed through NYS Office of Alcoholism and Substance Abuse Services:				
Block Grants for Prevention and Treatment of Substance Abuse	93.959	N/A	-	71,455
Total U.S. Department of Health and Human Services			-	<u>38,737,407</u>
U.S. DEPARTMENT OF HOMELAND SECURITY:				
Direct Programs:				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	N/A	-	112,595
Passed through NYS Division of Homeland Security and Emergency Services:				
Hazard Mitigation Grant Program (HMGP)	97.039	C-000875	-	84,312
Emergency Management Performance Grants	97.042	C-835615	-	4,554
Homeland Security Grant Program	97.067	C-835698	-	81,665
Homeland Security Grant Program	97.067	C-969500	-	95,068
Homeland Security Grant Program	97.067	C-969590	-	70,093
Passed through NYS Office of Homeland Security:				
Homeland Security Grant Program	97.067	C-197901	-	12,024
Homeland Security Grant Program	97.067	C-197827	-	182,380
Homeland Security Grant Program	97.067	C-197745	-	448,170
Homeland Security Grant Program	97.067	C-969502	-	44,439
Homeland Security Grant Program	97.067	T-835611	-	12,149
Homeland Security Grant Program	97.067	T-969592	-	29,084
Homeland Security Grant Program	97.067	T-180157	-	2,761
Homeland Security Grant Program	97.067	C-182480	-	25,796
Homeland Security Grant Program	97.067	C-174790	-	25,846
Homeland Security Grant Program	97.067	C-160078	-	4,132
Homeland Security Grant Program	97.067	C-182489	-	2,370
Homeland Security Grant Program	97.067	C-969599	-	17,756
Homeland Security Grant Program	97.067	C-969509	-	32,740
Homeland Security Grant Program	97.067	T-174798	-	14,948
Total U.S. Department of Homeland Security			-	<u>1,302,882</u>
TOTAL FEDERAL FINANCIAL ASSISTANCE (1e)			<u>\$ 779,503</u>	<u>\$ 57,338,563</u>

The notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

COUNTY OF CHAUTAUQUA, NEW YORK
Notes to the Schedule of Expenditures of Federal Awards
Year Ended December 31, 2022

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of the County of Chautauqua, New York (the "County") under programs of the federal government for the year ended December 31, 2022. The information in this 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* ("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. The following notes were identified on the Schedule:

- a) Includes all federal award programs of the County of Chautauqua, New York. The federal expenditures of the Chautauqua County Industrial Development Agency, the Chautauqua Tobacco Asset Securitization Corporation, and the Chautauqua County Land Bank Corporation have not been included.
- b) Source: Federal Assistance Listing Numbers, previously known as the Catalog of Federal Domestic Assistance.
- c) Pass-through entity identifying numbers are presented where available.
- d) Prepared under accounting principles generally accepted in the United States of America and includes all federal award programs.
- e) A reconciliation to the financial statements is available.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

3. MATCHING COSTS

Matching costs, i.e., the County's share of certain program costs, are not included in the reported expenditures.

4. NON-MONETARY FEDERAL PROGRAM

The County is the recipient of federal financial assistance programs that do not result in cash receipts or disbursements, termed "nonmonetary programs." New York State makes payments of benefits directly to vendors, primarily utility companies on behalf of eligible persons participating in Low-Income Home Energy Assistance Program (ALN 93.568). \$8,563,103 indirect payments were received by participants, which is included in the amount presented on the schedule of expenditures of federal awards.

5. AMOUNTS PROVIDED TO SUBRECIPIENTS

Certain program funds are passed through the County to subrecipient organizations. The County identifies, to the extent practical, the total amount provided to subrecipients from each federal program; however, the schedule does not contain separate schedules disclosing how the subrecipients outside of the County's control utilize the funds. The County requires subrecipients receiving funds to submit separate audit reports disclosing the use of the program funds.

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INDEPENDENT AUDITORS' 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

Honorable County Executive and Members of the County Legislature
County of Chautauqua, New York

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the 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 discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of Chautauqua, New York (the "County"), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated August 17, 2023. Our report includes a reference to other auditors who audited the financial statements of the Chautauqua County Industrial Development Agency, the Chautauqua County Land Bank Corporation, and the Chautauqua Tobacco Asset Securitization Corporation, as described in our report on the County's 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 separately by those auditors.

Report on 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.

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.

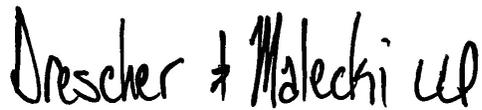
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on 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*.

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.



August 17, 2023

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE

Honorable County Executive and Members of the County Legislature
County of Chautauqua, New York

Report on Compliance for Each Major Federal Program

Opinion on Each Federal Program

We have audited the County of Chautauqua, New York's (the "County") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended December 31, 2022. The County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

The County's basic financial statements include the operations of the Chautauqua County Industrial Development Agency ("CCIDA"), Chautauqua Tobacco Asset Securitization Corporation ("CTASC"), and the Chautauqua County Land Bank Corporation ("CCLBC"), which are not included in the County's schedule of expenditures of federal awards. Our compliance audit, described below, did not include the operations of the CCIDA, CTASC, or CCLBC because other auditors were engaged to perform such audits in accordance with the Uniform Guidance.

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America ("GAAS"); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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"). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the County's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the County's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the County's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.

A handwritten signature in black ink that reads "Drescher & Malecki LLP". The signature is written in a cursive, flowing style.

August 17, 2023

COUNTY OF CHAUTAUQUA, NEW YORK
Schedule of Findings and Questioned Costs
Year Ended December 31, 2022

Section I. SUMMARY OF AUDITORS' RESULTS

Financial Statements:

Type of auditors' report issued: Unmodified*
 *(which report includes a reference to other auditors)

Internal control over financial reporting:

Material weakness(es) identified?	_____ Yes	_____ <input checked="" type="checkbox"/> No	
Significant deficiency(ies) identified?	_____ Yes	_____ <input checked="" type="checkbox"/> None reported	
Noncompliance material to the financial statements noted?	_____ Yes	_____ <input checked="" type="checkbox"/> No	

Federal Awards:

Internal control over major federal programs:

Material weakness(es) identified?	_____ Yes	_____ <input checked="" type="checkbox"/> No	
Significant deficiency(ies) identified?	_____ Yes	_____ <input checked="" type="checkbox"/> None reported	

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	_____ Yes	_____ <input checked="" type="checkbox"/> No	
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Identification of major federal programs

<u>ALN</u>	<u>Name of Federal Program or Cluster</u>
14.905	Lead Hazard Reduction Demonstration Grant Program
20.106	Airport Improvement Program
21.027	Coronavirus State and Local Fiscal Recovery Funds
93.323	Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)
93.558	Temporary Assistance for Needy Families
93.778	Medical Assistance Program

Dollar threshold used to distinguish between Type A and Type B programs?	<u>\$ 1,720,157</u>
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Auditee qualified as low-risk auditee?	_____ Yes	_____ <input checked="" type="checkbox"/> No	
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Section II. FINANCIAL STATEMENT FINDINGS

No findings noted.

Section III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No findings noted.

COUNTY OF CHAUTAUQUA, NEW YORK
Summary Schedule of Prior Audit Findings and Corrective Action Plan
Year Ended December 31, 2022
(Follow-up of December 31, 2021 findings)

Finding 2021-001

Criteria—Internal controls should be designed, documented, and implemented to support a low level of control risk over compliance requirements A/B. Activities Allowed or Unallowed & Allowable Costs/Cost Principles.

Cause and Condition—The internal control that requires signature approval for expenditures was not operating effectively and there were missing signatures from purchase orders and/or other supporting documentation.

Effect—Internal controls are not operating effectively resulting in a material weakness.

Context—Of the twenty-four items haphazardly selected for testing, 3 items did not have properly documented signatures approving the expense.

Recommendation— We recommend the County follow internal controls in place and develop the means for monitoring and testing that controls are operating effectively. Management should consider the need to design and implement mitigating controls as deemed necessary to ensure a low level of control risk.

Management's Response—This has been identified as an internal control issue, which is corrected by the Fiscal Supervisor/Designee closely reviewing invoice payments, prior to submission for payment, to ensure processes are followed. The Fiscal Staff involved with invoice payments and contracts will be provided re-education, by the end of August 2022, on the importance of verification of Grant Dollars, and the verification process. If the Fiscal Supervisor designates another staff member, periodic reviews will still be performed by the Fiscal Supervisor, as an extra form of oversight.

Status: During the year ended December 31, 2022, no such items were noted.

Finding 2021-002

Criteria— Per the OMB Compliance Supplement, management is required to design and implement adequate controls to support a low level of control risk over compliance requirement G. Matching.

Cause and Condition— Due to COVID-19, certain sessions and meetings were held virtually rather than in person as part of Management's goal to continue to meet programmatic objectives. In many cases, certain expenditures incurred related to these sessions and meetings are used to meet the local match requirements associated with this federal award. Procedures to ensure adequate controls were in place to track these expenditures were not adequate to support a low level of control risk over compliance requirement G. Matching.

Effect— Management was unable to provide formal evidence to support individuals' attendance and participation in virtual meetings outside of the summary sheets used to track expenditures recorded as part of the matching requirement. Furthermore, there was no formal documented evidence of Zoom that was used for hosting the virtual meetings.

Context— The deficiency specifically relates to those expenditures having to do with virtual meetings only.

Recommendation— We recommend that management consider designing and documenting alternative internal control procedures that will support the existence of all matching expenditures associated with virtual meetings. We suggest evidence controls exist be documented and retained which includes, but is not limited to, any secondary review by an individual other than the individual inputting and tracking the matching spreadsheet be documented and dated. Key internal controls should be periodically monitored and reviewed to ensure operational effectiveness.

Management's Response—The recommendations will be acted on immediately. All practices and controls that are in place for expenditures have been reviewed and will be provided to all staff at a team meeting on September 6th, 2022, as a formal training update. As there are many new staff in place, this will be a helpful training for all.

Status: During the year ended December 31, 2022, no such items were noted.