

STATE OF DELAWARE
UNIFORM GUIDANCE
SINGLE AUDIT REPORT
YEAR ENDED JUNE 30, 2021



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**STATE OF DELAWARE
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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 Governor and
 Honorable Members of the State Legislature
 State of Delaware

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 the State of Delaware (the State), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the State’s basic financial statements and have issued our report thereon dated January 27, 2022. Our report includes a reference to other auditors who audited the financial statements of certain agencies and component units of the State of Delaware, which represent the indicated percent of total assets and deferred outflows of resources and total revenues as described in our report on the State’s financial statements and as presented in the following table. 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 other auditors. This report does not include the results of our testing of internal control over financial reporting or compliance and other matters for the Delaware Department of Transportation, Delaware State Lottery and Delaware State University as we have issued separate reports for the Delaware Department of Transportation, Delaware State Lottery and Delaware State University. The financial statements of the Delaware Sustainable Energy Utility and the Riverfront Development Corporation of Delaware were not audited in accordance with Government Auditing Standards and accordingly this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with the Delaware Sustainable Energy Utility and the Riverfront Development Corporation of Delaware.

Opinion Unit	Entity	Percentage Audited by Other Auditors	
		Assets and Deferred Outflows of Resources	Revenues
Governmental Activities	Sustainable Energy Utility, Inc.	1.1%	0.20%
Discretely Presented Component Units	Delaware State Housing Authority, Diamond State Port Corporation, Riverfront Development Corporation, Delaware State Foundation, Delaware Charter Schools, and Delaware Agricultural Lands Preservation Foundation	83.0%	70.9%
General Fund	Sustainable Energy Utility, Inc.	3.6%	0.4%
Aggregate Remaining Fund Information	Delaware Public Employees’ Retirement System and Delaware Other Postemployment Benefits Fund Trust	99.0%	92.7%

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Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the State'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 State's internal control. Accordingly, we do not express an opinion on the effectiveness of the State's internal control.

Our consideration of internal control was for the limited purpose described in the preceding 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 have not been identified. However, as described in the accompanying schedule of findings and responses, we did identify certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the State'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*.

State of Delaware's Response to Findings

The State's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. The State'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.

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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 State'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 State's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Baltimore, Maryland
January 27, 2022



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM, REPORT ON INTERNAL CONTROL OVER COMPLIANCE, AND
REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
REQUIRED BY THE UNIFORM GUIDANCE**

Honorable Governor and
Honorable Members of the State Legislature
State of Delaware

Report on Compliance for Each Major Federal Program

We have audited the State of Delaware's (the State) 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 State's major federal programs for the year ended June 30, 2021. The State's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

The State's basic financial statements include the operations of the Delaware State Housing Authority, Diamond State Port Corporation, Riverfront Development Corporation, Delaware State University, Delaware Charter Schools and Delaware Agricultural Lands Preservation Foundation, which may have received federal awards, and which are not included in the State's schedule of expenditures of federal awards for the year ended June 30, 2021. Our audit, described below, did not include the operations of the Delaware State Housing Authority, Diamond State Port Corporation, Riverfront Development Corporation, Delaware State University, Delaware Charter Schools, and Delaware Agricultural Lands Preservation Foundation because other auditors were engaged to perform audits (when required) in accordance with the Uniform Guidance. We were separately engaged to perform, and we have separately reported on the results of our audit of the Delaware State University in accordance with 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.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the State'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* (Uniform Guidance).

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State of Delaware

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 State’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 State’s compliance.

Basis for Qualified Opinions

As described in the accompanying schedule of findings and questioned costs, the State did not comply with the requirements regarding:

Program	Assistance Listing	Noncompliance	Finding Number
Unemployment Insurance	17.225	Reporting	2021-003
Coronavirus Relief Fund	21.019	Subrecipient Monitoring	2021-007
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	Reporting	2021-011
Low-Income Home Energy Assistance Program	93.568	Reporting - FFATA	2021-013
Medicaid Cluster; Children’s Health Insurance Program	93.775, 93.777, 93.778, 93.767	Special Tests - Provider Eligibility	2021-015
Medicaid Cluster	93.775, 93.777, 93.778	Special Tests - Managed Care Financial Audit	2021-016
Opioid STR	93.788	Subrecipient Monitoring	2021-018
Opioid STR	93.788	Procurement	2021-019
Opioid STR	93.788	Reporting - FFATA	2021-020
Block Grants for Prevention and Treatment of Substance Abuse	93.959	Subrecipient Monitoring	2021-024
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	Subrecipient Monitoring	2021-027

Compliance with such requirements is necessary, in our opinion, for the State to comply with the requirements applicable to that program.

Qualified Opinions

In our opinion, except for the noncompliance described in the Basis for Qualified Opinions paragraph, the State 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 programs for the year ended June 30, 2021.

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Unmodified Opinion on Each of the Other Major Federal Programs

In our opinion, the State complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2021.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2021-004, 2021-005, 2021-006, 2021-008, 2021-009, 2021-012, 2021-014, 2021-017, 2021-021, 2021-022, 2021-023, 2021-026 and 2021-029. Our opinion on each major federal program is not modified with respect to these matters.

The State's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The State's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of the State 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 State'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 State'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 significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or 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 items 2021-003, 2021-007, 2021-010, 2021-011, 2021-013, 2021-015, 2021-016, 2021-018, 2021-019, 2021-020, 2021-024, 2021-027 and 2021-028 to be material weaknesses.

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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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2021-004, 2021-005, 2021-006, 2021-008, 2021-009, 2021-012, 2021-014, 2021-017, 2021-021, 2021-022, 2021-023, 2021-025, 2021-026 and 2021-029 to be significant deficiencies.

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

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.

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

We have audited the financial statements of the State as of and for the year ended June 30, 2021, and have issued our report thereon dated January 27, 2022, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



CliftonLarsonAllen LLP

Baltimore, Maryland
September 30, 2022

**STATE OF DELAWARE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2021**

Federal Grantor/Program or Cluster Title	Assistance Listing Number	Federal Expenditures	Passed Through to Subrecipients
U.S. Department of Agriculture			
COVID-19 - Delaware Criminal Case Scheduling Initiative	10.000	\$ 1,846,271	\$ -
Delaware Criminal Case Scheduling Initiative	10.000	<u>59,761</u>	-
Total Delaware Criminal Case Scheduling Initiative		\$ 1,906,032	
COVID-19 - Plant and Animal Disease, Pest Control, and Animal Care	10.025	1,873	-
Plant and Animal Disease, Pest Control, and Animal Care	10.025	<u>1,050,162</u>	-
Total Plant and Animal Disease, Pest Control, and Animal Care		1,052,035	
Conservation Reserve Program	10.069	5,619	-
Agricultural Marketing Service	10.163	1,466	-
Specialty Crop Block Grant Program - Farm Bill	10.170	253,526	-
Trade Mitigation Program Eligible Recipient Agency Operational Funds	10.178	444,000	-
Rural Business Development Grant	10.351	25,000	-
COVID-19 - Cooperative Agreements with States for Intrastate Meat and Poultry Inspection	10.475	364	-
Cooperative Agreements with States for Intrastate Meat and Poultry Inspection	10.475	<u>438,882</u>	-
Total Cooperative Agreements with States for Intrastate Meat and Poultry Inspection		439,246	
Food and Nutrition Service	10.535	39,056	-
COVID-19 - Pandemic EBT	10.542	87,705,326	-
<i>SNAP Cluster</i>			
Supplemental Nutrition Assistance Program (SNAP)	10.551	274,067,438	-
COVID-19 - State Administrative Matching Grants for the Supplemental Nutritional Assistance Program	10.561	201,925	-
State Administrative Matching Grants for the Supplemental Nutritional Assistance Program	10.561	<u>19,083,225</u>	-
Total State Administrative Matching Grants for the Supplemental Nutritional Assistance Program		19,285,150	
Total SNAP Cluster		<u>293,352,588</u>	-
<i>Child Nutrition Cluster</i>			
School Breakfast Program	10.553	285,248	-
COVID-19 - National School Lunch Program	10.555	1,826,232	185,448
National School Lunch Program	10.555	<u>508,582</u>	5,628
Total National School Lunch Program		2,334,814	
COVID-19 - Summer Food Service Program for Children	10.559	58,806,825	13,277,486
Total Child Nutrition Cluster		<u>61,426,887</u>	<u>13,468,562</u>
COVID-19 - WIC Special Supplemental Nutrition Program for Women, Infants and Children	10.557	383,897	-
WIC Special Supplemental Nutrition Program for Women, Infants and Children	10.557	<u>4,765,615</u>	-
Total WIC Special Supplemental Nutrition Program for Women, Infants and Children		5,149,512	
COVID-19 - Child and Adult Care Food Program	10.558	10,379,777	9,817,458
Child and Adult Care Food Program	10.558	<u>890,130</u>	890,130
Total Child and Adult Care Food Program		11,269,907	
COVID-19 - State Administrative Expenses for Child Nutrition	10.560	242	-
State Administrative Expenses for Child Nutrition	10.560	<u>1,155,329</u>	-
Total State Administrative Expenses for Child Nutrition		1,155,571	
<i>Food Distribution Cluster</i>			
Commodity Supplemental Food Program	10.565	120,363	-
COVID-19 - Emergency Food Assistance Program (Administrative Costs)	10.568	568,856	-
Emergency Food Assistance Program (Administrative Costs)	10.568	<u>255,613</u>	-
Total Emergency Food Assistance Program (Administrative Costs)		824,469	
COVID-19 - Emergency Food Assistance Program (Food Commodities)	10.569	18,190	-
Emergency Food Assistance Program (Food Commodities)	10.569	<u>2,546,367</u>	-
Total Emergency Food Assistance Program (Food Commodities)		2,564,557	
Total Food Distribution Cluster		<u>3,509,389</u>	-

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**STATE OF DELAWARE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2021**

Federal Grantor/Program or Cluster Title	Assistance Listing Number	Federal Expenditures	Passed Through to Subrecipients
U.S. Department of Agriculture (continued)			
WIC Farmers' Market Nutrition Program (FMCP)	10.572	\$ 72,341	\$ -
Farm to School Grant Program	10.575	26,015	-
Senior Farmers Market Nutrition Program	10.576	17,070	-
Child Nutrition Discretionary Grants Limited Availability	10.579	44,245	7,010
Fresh Fruit and Vegetable Program	10.582	998,321	2,126
Food for Education	10.608	6,175,089	-
Cooperative Forestry Assistance	10.664	190,934	-
Urban and Community Forestry Program	10.675	204,580	-
Forest Stewardship Program	10.678	65,855	-
Forest Health Protection	10.680	73,844	-
Total U.S. Department of Agriculture		475,603,454	24,185,286
U.S. Department of Commerce			
<i>Economic Development Cluster</i>			
Investments for Public Works and Economical Development Facilities	11.300	15,680	-
COVID-19 - Economic Adjustment Assistance	11.307	497,000	-
Total Economic Development Cluster		512,680	-
Interjurisdictional Fisheries Act of 1986	11.407	8,689	6,000
Coastal Zone Management Administration Awards	11.419	1,860,441	36,371
COVID-19 - Unallied Management Projects	11.454	342,448	-
Unallied Science Program	11.472	472,164	-
Atlantic Coastal Fisheries Cooperative Management Act	11.474	327,649	20,999
State and Local Implementation Grant Program	11.549	61,349	-
COVID-19 - Manufacturing Extension Partnership	11.611	\$ 78,732	-
Manufacturing Extension Partnership	11.611	839,500	-
Total Manufacturing Extension Partnership		918,232	-
Marine Debris Program	11.999	8,966	5,000
Total U.S. Department of Commerce		4,512,618	68,370
U.S. Department of Defense			
Beach Erosion Control Projects	12.101	497,597	-
State Memorandum of Agreement Program for the Reimbursement of Technical Services	12.113	11,950	-
Military Construction - National Guard	12.400	9,040,852	-
COVID-19 - National Guard Military Operations and Maintenance (O&M) Projects	12.401	34,658	-
National Guard Military Operations and Maintenance (O&M) Projects	12.401	16,042,469	-
Total National Guard Military Operations and Maintenance (O&M) Projects		16,077,127	-
Total U.S. Department of Defense		25,627,526	-
U.S. Department of Housing and Urban Development			
<i>CDBG - Entitlement Grants Cluster</i>			
COVID-19 - Community Development Block Grants/Entitlement Grants	14.218	6,371,021	-
Community Development Block Grants/Entitlement Grants	14.218	900	-
Total Community Development Block Grants/Entitlement Grants		6,371,921	-
Total CDBG - Entitlement Grants Cluster		6,371,921	-
COVID-19 - Fair Housing Assistance Program State and Local	14.401	1,999	-
Fair Housing Assistance Program State and Local	14.401	111,374	-
Total Fair Housing Assistance Program State and Local		113,373	-
Total U.S. Department of Housing and Urban Development		6,485,294	-
U.S. Department of the Interior			
Hurricane Sandy Disaster Relief – Coastal Resiliency Grants.	15.153	10,211	-
<i>Fish and Wildlife Cluster</i>			
COVID-19 - Sport Fish Restoration	15.605	134	-
Sport Fish Restoration	15.605	3,277,715	-
Total Sport Fish Restoration		3,277,849	-

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**STATE OF DELAWARE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2021**

Federal Grantor/Program or Cluster Title	Assistance Listing Number	Federal Expenditures	Passed Through to Subrecipients
U.S. Department of the Interior (continued)			
COVID-19 - Wildlife Restoration and Basic Hunter Education	15.611	\$ 2,160.00	\$ -
Wildlife Restoration and Basic Hunter Education	15.611	<u>3,056,565</u>	118,271
Total Wildlife Restoration and Basic Hunter Education		\$ 3,058,725	
Total Fish and Wildlife Cluster		6,336,574	118,271
Coastal Wetlands Planning, Protection and Restoration	15.614	900,000	-
Cooperative Endangered Species Conservation Fund	15.615	6,331	-
Landowner Incentive	15.633	11,666	-
State Wildlife Grants	15.634	615,896	-
Endangered Species Conservation Recovery Implementation Funds	15.657	11,209	-
Hurricane Sandy Disaster Relief Activities-FWS	15.677	6,937	-
Historic Preservation Fund Grants-In-Aid	15.904	472,536	25,622
Outdoor Recreation Acquisition, Development and Planning	15.916	1,316,118	-
Cultural Resources Management	15.946	471	-
Total U.S. Department of the Interior		<u>9,687,949</u>	<u>143,893</u>
U.S. Department of Justice			
Sexual Assault Services Formula Program	16.017	350,449	326,332
COVID-19 - Coronavirus Emergency Supplemental Funding Program	16.034	2,559,601	224,773
Supervised Visitation, Safe Havens for Children	16.527	64,340	-
Juvenile Justice and Delinquency Prevention Program	16.540	408,618	247,722
Missing Children's Assistance	16.543	240,921	-
State Justice Statistics Program for Statistical Analysis Centers	16.550	60,823	-
National Criminal History Improvement Program (NCHIP)	16.554	203,999	-
COVID-19 - Crime Victim Assistance	16.575	117	-
Crime Victim Assistance	16.575	<u>7,459,643</u>	6,340,718
Total Crime Victim Assistance		7,459,760	
Crime Victim Compensation	16.576	1,355,160	-
Crime Victim Assistance/Discretionary Grants	16.582	50,184	-
Drug Court Discretionary Grant Program	16.585	10,822	-
COVID-19 - Violence Against Women Formula Grants	16.588	419	-
Violence Against Women Formula Grants	16.588	<u>1,027,303</u>	559,238
Total Violence Against Women Formula Grants		1,027,722	
Residential Substance Abuse Treatment for State Prisoners	16.593	3,351	-
State Criminal Alien Assistance Program	16.606	221	-
Bulletproof Vest Partnership Program	16.607	31,568	-
Project Safe Neighborhoods	16.609	86,772	77,285
Public Safety Partnership and Community Policing Grants	16.710	252,194	-
COVID-19 - Edward Byrne Memorial Justice Assistance Grant Program	16.738	950	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	<u>961,872</u>	539,743
Total Edward Byrne Memorial Justice Assistance Grant Program		962,822	
DNA Backlog Reduction Program	16.741	246,240	-
Paul Coverdell Forensic Sciences Improvement Grant Program	16.742	266,740	-
Harold Rogers Prescription Drug Monitoring Program	16.754	347,960	296,370
Second Chance Act Reentry Initiative	16.812	488,162	174,952
NICS Act Record Improvement Program	16.813	191,222	-
Postconviction Testing of DNA Evidence	16.820	63,218	60,971
National Sexual Assault Kit Initiative	16.833	235,834	-
Comprehensive Opioid, Stimulant, and Substance Abuse Program	16.838	8,450	-
Equitable Sharing Program	16.922	<u>195,268</u>	-
Total U.S. Department of Justice		<u>17,172,421</u>	<u>8,848,104</u>
U.S. Department of Labor			
Labor Force Statistics	17.002	560,261	-
Compensation and Working Conditions	17.005	60,542	-

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**STATE OF DELAWARE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2021**

Federal Grantor/Program or Cluster Title	Assistance Listing Number	Federal Expenditures	Passed Through to Subrecipients
U.S. Department of the Interior (continued)			
<i>Employment Services Cluster</i>			
COVID-19 - Employment Service/Wagner-Peyser Funded Activities	17.207	\$ 158,742	\$ -
Employment Service/Wagner-Peyser Funded Activities	17.207	<u>1,814,357</u>	-
Total Employment Service/Wagner-Peyser Funded Activities		\$ 1,973,099	
COVID-19 - Disabled Veterans Outreach Program	17.801	167	-
Disabled Veterans Outreach Program	17.801	<u>405,251</u>	-
Total Disabled Veterans Outreach Program		<u>405,418</u>	
Total Employment Services Cluster		<u>2,378,517</u>	-
COVID-19 - Unemployment Insurance	17.225	8,908,055	-
Unemployment Insurance	17.225	<u>716,965,681</u>	-
Total Unemployment Insurance		725,873,736	
Senior Community Service Employment Program	17.235	1,636,885	-
Trade Adjustment Assistance	17.245	79,217	-
<i>WIOA Cluster</i>			
COVID-19 - WIOA Adult Program	17.258	5,709	-
WIOA Adult Program	17.258	<u>2,682,019</u>	-
Total WIOA Adult Program		2,687,728	
COVID-19 - WIOA Youth Activities	17.259	747	-
WIOA Youth Activities	17.259	<u>2,272,248</u>	-
Total WIOA Youth Activities		2,272,995	
COVID-19 - WIOA Dislocated Worker Formula Grants	17.278	10,406	-
WIOA Dislocated Worker Formula Grants	17.278	<u>2,309,895</u>	-
Total WIOA Dislocated Worker Formula Grants		<u>2,320,301</u>	
Total WIOA Cluster		<u>7,281,024</u>	-
H-1B Job Training Grants	17.268	619,163	-
Reentry Employment Opportunities	17.270	9,744	-
COVID-19 - Work Opportunity Tax Credit Program (WOTC)	17.271	7	-
Work Opportunity Tax Credit Program (WOTC)	17.271	<u>98,555</u>	-
Total Work Opportunity Tax Credit Program (WOTC)		98,562	
COVID-19 - Temporary Labor Certification for Foreign Workers	17.273	386	-
Temporary Labor Certification for Foreign Workers	17.273	<u>40,467</u>	-
Total Temporary Labor Certification for Foreign Workers		40,853	
COVID-19 - WIOA National Dislocated Worker Grants / WIA National Emergency Grants	17.277	255,535	-
COVID-19 - Apprenticeship USA Grants	17.285	816	-
Apprenticeship USA Grants	17.285	<u>740,878</u>	-
Total Apprenticeship USA Grants		741,694	
Consultation Agreements	17.504	451,089	-
Total U.S. Department of Labor		<u><u>740,086,822</u></u>	<u>-</u>
U.S. Department of Transportation			
Airport Improvement Program	20.106	92,461	-
Highway Research and Development Program	20.200	33,780	-
<i>Highway Planning and Construction Cluster</i>			
Highway Planning and Construction	20.205	255,694,838	-
Recreational Trails Program	20.219	<u>1,500,159</u>	-
Total Highway Planning and Construction Cluster		<u>257,194,997</u>	
Highway Training and Education	20.215	150,000	-

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**STATE OF DELAWARE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2021**

Federal Grantor/Program or Cluster Title	Assistance Listing Number	Federal Expenditures	Passed Through to Subrecipients
U.S. Department of the Interior (continued)			
<i>FMCSA Cluster</i>			
COVID-19 - Motor Carrier Safety Assistance	20.218	\$ 5,121	\$ -
Motor Carrier Safety Assistance	20.218	<u>1,180,537</u>	-
Total Motor Carrier Safety Assistance		\$ 1,185,658	
Motor Carrier Safety Assistance High Priority Activities Grants and Cooperative Agreements	20.237	783,091	-
Total FMCSA Cluster		<u>1,968,749</u>	-
Transportation Infrastructure Finance and Innovation Act (TIFIA) Program	20.223	2,231	-
Commercial Driver's License Program Implementation Grant	20.232	94,625	-
Fuel Tax Evasion-Intergovernmental Enforcement Effort	20.240	21,600	-
High-Speed Rail Corridors and Intercity Passenger Rail Service – Capital Assistance Grants	20.319	3,466,407	-
<i>Federal Transit Cluster</i>			
COVID-19 - Federal Transit Formula Grants	20.507	55,256,990	-
Federal Transit Formula Grants	20.507	<u>22,406,374</u>	-
Total Federal Transit Formula Grants		77,663,364	
State of Good Repair Grants Program	20.525	238,990	-
Buses and Bus Facilities Formula, Competitive, and Low or No Emissions Programs	20.526	<u>215,946</u>	-
Total Federal Transit Cluster		78,118,300	
COVID-19 - Formula Grants for Rural Areas and Tribal Transit Program	20.509	5,915,431	-
Formula Grants for Rural Areas and Tribal Transit Program	20.509	<u>941,505</u>	-
Total Formula Grants for Rural Areas and Tribal Transit Program		6,856,936	
<i>Highway Safety Cluster</i>			
COVID-19 - State and Community Highway Safety	20.600	228	-
State and Community Highway Safety	20.600	<u>2,403,721</u>	308,249
Total State and Community Highway Safety		2,403,949	
COVID-19 - National Priority Safety Programs	20.616	78	-
National Priority Safety Programs	20.616	<u>1,957,357</u>	162,875
Total National Priority Safety Programs		1,957,435	
Total Highway Safety Cluster		<u>4,361,384</u>	471,124
Alcohol Open Container Requirements	20.607	542,336	160,801
National Highway Traffic Safety Administration (NHTSA) Discretionary Safety Grants and Cooperative Agreements	20.614	39,388	-
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	47,309	15,150
PHMSA Pipeline Safety Program One Call Grant	20.721	7,321	-
National Infrastructure Investments	20.933	<u>7,858,929</u>	-
Total U.S. Department of Transportation		<u>360,856,753</u>	<u>647,075</u>
U.S. Department of the Treasury			
Equitable Sharing	21.016	27,085	-
COVID-19 - Coronavirus Relief Fund	21.019	824,449,094	59,063,083
Small Business Credit Initiative	21.999	<u>(2,950,474)</u>	-
Total U.S. Department of the Treasury		<u>821,525,705</u>	<u>59,063,083</u>
Equal Employment Opportunity Commission			
COVID-19 - Employment Discrimination Title VII of the Civil Rights Act of 1964	30.001	17,000	-
Employment Discrimination Title VII of the Civil Rights Act of 1964	30.001	<u>211,270</u>	-
Total Employment Discrimination Title VII of the Civil Rights Act of 1964		228,270	
Total Equal Employment Opportunity Commission		<u>228,270</u>	<u>-</u>
National Endowment for the Arts			
COVID-19 - Promotion of the Arts Partnership Agreements	45.025	73,456	-
Promotion of the Arts Partnership Agreements	45.025	<u>520,409</u>	-
Total Promotion of the Arts Partnership Agreements		593,865	
Total National Endowment for the Arts		<u>593,865</u>	<u>-</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**STATE OF DELAWARE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2021**

Federal Grantor/Program or Cluster Title	Assistance Listing Number	Federal Expenditures	Passed Through to Subrecipients
Institute of Museum and Library Services			
COVID-19 - Grants to States	45.310	\$ 87,988	\$ -
Grants to States	45.310	<u>1,035,687</u>	-
Total Grants to States		\$ 1,123,675	-
Total Institute of Museum and Library Services		<u>1,123,675</u>	<u>-</u>
National Science Foundation			
Education and Human Resources	47.076	<u>87,505</u>	-
Total National Science Foundation		<u>87,505</u>	<u>-</u>
Small Business Administration			
State Trade Expansion	59.061	<u>140,279</u>	-
Total Small Business Administration		<u>140,279</u>	<u>-</u>
U.S. Department of Veterans Affairs			
Veterans Cemetery Grants Program	64.203	<u>158,873</u>	-
Total U.S. Department of Veterans Affairs		<u>158,873</u>	<u>-</u>
U.S. Environmental Protection Agency			
Air Pollution Control Program Support	66.001	1,099,850	-
State Indoor Radon Grants	66.032	82,881	-
Surveys Studies, Research, Investigations Demonstrations, and Special Purpose Activities Relating to the Clean Air Act	66.034	162,149	-
State Clean Diesel Grant Program	66.040	472,019	-
Multipurpose Grants to States and Tribes	66.204	102,402	-
Water Pollution Control State, Interstate, and Tribal Program Support	66.419	796,148	96,486
State Public Water System Supervision	66.432	549,968	-
State Underground Water Source Protection	66.433	47,235	-
Lead Testing in School and Child Care Program Drinking Water (SDWA 1464(d))	66.444	58,812	-
Water Quality Management Planning	66.454	103,919	-
<i>Clean Water State Revolving Fund Cluster</i>			
Capitalization Grants for Clean Water State Revolving Funds	66.458	<u>7,780,000</u>	-
Total Clean Water State Revolving Fund Cluster		<u>7,780,000</u>	-
Nonpoint Source Implementation Grants	66.460	1,180,517	678,940
Regional Wetland Program Development Grants	66.461	201,547	-
COVID-19 - Chesapeake Bay Program	66.466	24,375	-
Chesapeake Bay Program	66.466	<u>2,557,974</u>	1,643,386
Total Chesapeake Bay Program		2,582,349	
<i>Drinking Water State Revolving Fund Cluster</i>			
COVID-19 - Capitalization Grants for Drinking Water State Revolving Fund	66.468	4,027	-
Capitalization Grants for Drinking Water State Revolving Fund	66.468	<u>18,894,516</u>	276,093
Total Capitalization Grants for Drinking Water State Revolving Fund		<u>18,898,543</u>	
Total Drinking Water State Revolving Fund Cluster		18,898,543	
Beach Monitoring and Notification Program Implementation Grants	66.472	196,197	96,502
Performance Partnership Grants	66.605	586,389	-
COVID-19 - Hazardous Waste Management State Program Support	66.801	41	-
Hazardous Waste Management State Program Support	66.801	<u>501,245</u>	-
Total Hazardous Waste Management State Program Support		501,286	
Superfund State, Political Subdivision, and Indian Tribe Site-Specific Cooperative Agreements	66.802	303,657	-
Underground Storage Tank Prevention, Detection and Compliance Program	66.804	202,818	-
Leaking Underground Storage Tank Trust Fund Corrective Action Program	66.805	341,902	-
Superfund State and Indian Tribe Core Program Cooperative Agreements	66.809	164,799	-
COVID-19 - State and Tribal Response Program Grants	66.817	2,700	-
State and Tribal Response Program Grants	66.817	<u>507,274</u>	-
Total State and Tribal Response Program Grants		509,974	
Total U.S. Environmental Protection Agency		<u>36,925,361</u>	<u>2,791,407</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**STATE OF DELAWARE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2021**

Federal Grantor/Program or Cluster Title	Assistance Listing Number	Federal Expenditures	Passed Through to Subrecipients
U.S. Department of Energy			
State Energy Program	81.041	\$ 442,635	\$ -
Weatherization Assistance for Low-Income Persons	81.042	791,898	761,063
Total U.S. Department of Energy		1,234,533	761,063
U.S. Department of Education			
Adult Education - Basic Grants to States	84.002	1,305,936	255,075
<i>Student Financial Assistance Programs Cluster</i>			
Federal Supplemental Educational Opportunity Grants	84.007	868,641	-
Federal Work-Study Program	84.033	68,406	-
Federal Pell Grant Program	84.063	18,262,815	-
Federal Direct Student Loans	84.268	14,526,952	-
Total Student Financial Assistance Programs Cluster		33,726,814	-
COVID-19 - Title I Grants to Local Educational Agencies	84.010	\$ 175,775	-
Title I Grants to Local Educational Agencies	84.010	46,037,917	-
Total Title I Grants to Local Educational Agencies		46,213,692	-
Migrant Education_State Grant Program	84.011	363,188	-
Title I State Agency Program for Neglected and Delinquent Children and Youth	84.013	515,220	-
<i>Special Education Cluster (IDEA)</i>			
COVID-19 - Special Education_Grants to States (IDEA, Part B)	84.027	95,935	-
Special Education_Grants to States (IDEA, Part B)	84.027	30,675,614	1,398
Total Special Education_Grants to States (IDEA, Part B)		30,771,549	-
COVID-19 - Special Education_Preschool Grants (IDEA Preschool)	84.173	535	-
Special Education_Preschool Grants (IDEA Preschool)	84.173	990,985	-
Total Special Education_Preschool Grants (IDEA Preschool)		991,520	-
Total Special Education Cluster (IDEA)		31,763,069	1,398
Higher Education Institutional Aid	84.031	36,348	-
<i>TRIO Cluster</i>			
TRIO Talent Search	84.044	341,030	-
TRIO Upward Bound	84.047	1,681,722	-
Total TRIO Cluster		2,022,752	-
Career and Technical Education -- Basic Grants to States	84.048	3,943,088	-
COVID-19 - Rehabilitation Services Vocational Rehabilitation Grants to States	84.126	5,879	-
Rehabilitation Services Vocational Rehabilitation Grants to States	84.126	10,522,539	-
Total Rehabilitation Services Vocational Rehabilitation Grants to States		10,528,418	-
Migrant Education_Coordination Program	84.144	137,403	-
Rehabilitation Services_Independent Living Services for Older Individuals Who are Blind	84.177	233,808	-
Special Education-Grants for Infants and Families	84.181	2,749,132	-
School Safety National Activities (formerly, Safe and Drug-Free Schools and Communities-National Programs)	84.184	56,946	-
Supported Employment Services for Individuals with the Most Significant Disabilities	84.187	287,855	-
Education for Homeless Children and Youth	84.196	300,963	-
Charter Schools	84.282	18,800	-
COVID-19 - Twenty-First Century Community Learning Centers	84.287	100,893	-
Twenty-First Century Community Learning Centers	84.287	5,737,600	2,894,692
Total Twenty-First Century Community Learning Centers		5,838,493	-
Special Education - State Personnel Development	84.323	624,158	-
Special Education - Personnel Development to Improve Services and Results for Children with Disabilities	84.325	224,597	-
Special Education_Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities	84.326	72,136	-
Rural Education	84.358	239,806	-
English Language Acquisition State Grants	84.365	1,094,238	-

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**STATE OF DELAWARE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2021**

Federal Grantor/Program or Cluster Title	Assistance Listing Number	Federal Expenditures	Passed Through to Subrecipients
U.S. Department of Education (continued)			
COVID-19 - Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	84.367	\$ 193	\$ -
Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	84.367	8,219,174	-
Total Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)		\$ 8,219,367	
Grants for State Assessments and Related Activities	84.369	3,783,099	-
School Improvement Grants	84.377	1,076,139	-
COVID-19 - Student Support and Academic Enrichment Program	84.424	9,126	-
Student Support and Academic Enrichment Program	84.424	5,419,809	-
Total Student Support and Academic Enrichment Program		5,428,935	
<i>Education Stabilization Fund</i>	84.425		-
COVID-19 - Governor's Emergency Education Relief Fund	84.425C	2,443,397	-
COVID-19 - Elementary and Secondary School Emergency Relief Fund	84.425D	43,851,409	-
COVID-19 - HEERF Student Aid Portion	84.425E	11,706,750	-
COVID-19 - HEERF Institutional Portion	84.425F	3,838,326	-
COVID-19 - Coronavirus Response and Relief Supplemental Appropriations Act, 2021 - Emergency Assistance to Non-Public Schools (CRRSA EANS)	84.425R	2,515,359	-
Total Education Stabilization Fund		<u>64,355,241</u>	
Total U.S. Department of Education		<u>225,159,641</u>	<u>3,151,165</u>
U.S. Election Assistance Commission			
COVID-19 - 2018 HAVA Election Security Grants	90.404	2,420,312	-
2018 HAVA Election Security Grants	90.404	1,245,458	-
Total 2018 HAVA Election Security Grants		3,665,770	
Total U.S. Election Assistance Commission		<u>3,665,770</u>	<u>-</u>
U.S. Department of Health and Human Services			
Special Programs for the Aging Title VII, Chapter 3, Programs for Prevention of Elder Abuse, Neglect, and Exploitation	93.041		17,054
COVID-19 - Special Programs for the Aging Title VII, Chapter 2 Long Term Care Ombudsman Services for Older Individuals	93.042	(73,602)	-
Special Programs for the Aging Title VII, Chapter 2 Long Term Care Ombudsman Services for Older Individuals	93.042	89,227	-
Total Special Programs for the Aging Title VII, Chapter 2 Long Term Care Ombudsman Services for Older Individuals			15,625
Special Programs for the Aging Title III, Part D Disease Prevention and Health Promotion Services	93.043		140,000
<i>Aging Cluster</i>			
COVID-19 - Special Programs for the Aging Title III, Part B Grants for Supportive Services and Senior Centers	93.044	415,927	-
Special Programs for the Aging Title III, Part B Grants for Supportive Services and Senior Centers	93.044	1,342,204	-
Total Special Programs for the Aging Title III, Part B Grants for Supportive Services and Senior Centers			1,758,131
COVID-19 - Special Programs for the Aging Title III, Part C Nutrition Services	93.045	1,892,587	-
Special Programs for the Aging Title III, Part C Nutrition Services	93.045	1,700,226	-
Total Special Programs for the Aging Title III, Part C Nutrition Services			3,592,813
Nutrition Services Incentive Program	93.053	145,413	-
Total Aging Cluster		<u>5,496,357</u>	
COVID-19 - Special Programs for the Aging Title IV and Title II Discretionary Projects	93.048	247,268	-
Special Programs for the Aging Title IV and Title II Discretionary Projects	93.048	244,388	-
Total Special Programs for the Aging Title IV and Title II Discretionary Projects			491,656

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**STATE OF DELAWARE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2021**

Federal Grantor/Program or Cluster Title	Assistance Listing Number	Federal Expenditures	Passed Through to Subrecipients
U.S. Department of Health and Human Services (continued)			
COVID-19 - National Family Caregiver Support, Title III, Part E	93.052	\$ 285,763	\$ -
National Family Caregiver Support, Title III, Part E	93.052	<u>655,104</u>	-
Total National Family Caregiver Support, Title III, Part E		\$ 940,867	
COVID-19 - Public Health Emergency Preparedness	93.069	172,089	-
Public Health Emergency Preparedness	93.069	<u>4,743,384</u>	-
Total Public Health Emergency Preparedness		4,915,473	
Medical Enrollment Assistance Program	93.071	93,578	-
COVID-19 - Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	93.074	86,862	-
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	93.074	<u>153,953</u>	-
Total Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements		240,815	
Cooperative Agreements to Promote Adolescent Health through School-Based HIV/STD Prevention and School-Based Surveillance	93.079	110,032	-
Affordable Care Act (ACA) Personal Responsibility Education Program	93.092	260,382	-
Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances (SED)	93.104	1,557,117	-
COVID-19 - Maternal and Child Health Federal Consolidated Programs	93.110	690	-
Maternal and Child Health Federal Consolidated Programs	93.110	<u>968,512</u>	-
Total Maternal and Child Health Federal Consolidated Programs		969,202	
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	136,191	-
Emergency Medical Services for Children	93.127	102,318	-
Cooperative Agreements to States/Territories for the Coordination and Development of Primary Care Offices	93.130	163,403	-
Community Programs to Improve Minority Health Grant Program	93.137	216,830	-
Projects for Assistance in Transition from Homelessness (PATH)	93.150	314,930	-
Grants To States for Loan Repayment Program	93.165	115,502	-
Childhood Lead Poisoning Prevention Program (CLPPP)	93.197	246,766	-
Family Planning Services	93.217	1,627,831	-
COVID-19 - Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	8,243	-
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	<u>5,661,164</u>	738,720
Total Substance Abuse and Mental Health Services Projects of Regional and National Significance		5,669,407	
Universal Newborn Hearing Screening	93.251	157,637	-
COVID-19 - Immunization Cooperative Agreements	93.268	1,082,885	-
Immunization Cooperative Agreements	93.268	<u>14,263,131</u>	-
Total Immunization Cooperative Agreements		15,346,016	
Viral Hepatitis Prevention and Control	93.270	39,789	-
National State Based Tobacco Control Programs	93.305	23,500	-
Early Hearing Detection and Intervention Information System (EHDI-IS) Surveillance Program	93.314	43,335	-
COVID-19 - Epidemiology and Laboratory Capacity for Infectious Diseases	93.323	27,158,421	-
Epidemiology and Laboratory Capacity for Infectious Diseases	93.323	<u>1,006,574</u>	-
Total Epidemiology and Laboratory Capacity for Infectious Diseases		28,164,995	
COVID-19 - State Health Insurance Assistance Program	93.324	284	-
State Health Insurance Assistance Program	93.324	<u>210,104</u>	-
Total State Health Insurance Assistance Program		210,388	

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**STATE OF DELAWARE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2021**

Federal Grantor/Program or Cluster Title	Assistance Listing Number	Federal Expenditures	Passed Through to Subrecipients
U.S. Department of Health and Human Services (continued)			
Behavioral Risk Factor Surveillance System	93.336	\$ 359,568	\$ -
COVID-19 - Public Health Crisis Response Award	93.354	\$ 2,109,255	-
Public Health Crisis Response Award	93.354	<u>22,062</u>	-
Total Public Health Crisis Response Award		2,131,317	
ACL Independent Living State Grants	93.369	484,129	-
COVID-19 - National and State Tobacco Control Program	93.387	344	-
National and State Tobacco Control Program	93.387	<u>803,000</u>	-
Total National and State Tobacco Control Program		803,344	
Strengthening Public Health Systems and Services through National Partnerships to Improve and Protect the Nation's Health	93.421	170,849	-
1332 State Innovation Waivers	93.423	59,180	-
Improving the Health of Americans through Prevention and Management of Diabetes and Heart Disease and Stroke	93.426	1,966,717	-
Every Student Succeeds Act/Preschool Development Grants	93.434	947,634	-
Well-Integrated Screening And Evaluation For Women Across The Nation (WISEWOMAN)	93.436	184,382	-
Preventing Maternal Deaths: Supporting Maternal Mortality Review Committees	93.478	85,630	-
COVID-19 - Promoting Safe and Stable Families	93.556	3,464	-
Promoting Safe and Stable Families	93.556	<u>1,309,514</u>	-
Total Promoting Safe and Stable Families		1,312,978	
COVID-19 - Temporary Assistance for Needy Families	93.558	1,159,116	-
Temporary Assistance for Needy Families	93.558	<u>36,316,671</u>	-
Total Temporary Assistance for Needy Families		37,475,787	
COVID-19 - Child Support Enforcement	93.563	8,575	-
Child Support Enforcement	93.563	<u>16,169,215</u>	-
Total Child Support Enforcement		16,177,790	
Refugee and Entrant Assistance_State/Replacement Designee Administered Programs	93.566	61,505	-
COVID-19 - Low-Income Home Energy Assistance	93.568	3,136,564	3,108,533
Low-Income Home Energy Assistance	93.568	<u>10,118,448</u>	9,756,402
Total Low-Income Home Energy Assistance		13,255,012	
COVID-19 - Community Services Block Grant	93.569	678,644	689
Community Services Block Grant	93.569	<u>3,049,620</u>	139,207
Total Community Services Block Grant		3,728,264	
<i>CCDF Cluster</i>			
COVID-19 - Child Care and Development Block Grant	93.575	23,306,005	-
Child Care and Development Block Grant	93.575	<u>16,350,095</u>	-
Total Child Care and Development Block Grant		39,656,100	
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	<u>12,528,103</u>	-
Total CCDF Cluster		52,184,203	-
COVID-19 - State Court Improvement Program	93.586	9,264	-
State Court Improvement Program	93.586	<u>274,955</u>	-
Total State Court Improvement Program		284,219	
Community-Based Child Abuse Prevention Grants	93.590	2,355	-
Grants to States for Access and Visitation Programs	93.597	79,980	-
Chafee Education and Training Vouchers Program (ETV)	93.599	105,403	-
<i>Head Start Cluster</i>			
Head Start	93.600	<u>2,958,081</u>	<u>1,610,960</u>
Total Head Start Cluster		2,958,081	1,610,960
Adoption and Legal Guardianship Incentive Payments	93.603	125,236	-
Developmental Disabilities Basic Support and Advocacy Grants	93.630	583,453	279,591

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**STATE OF DELAWARE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2021**

Federal Grantor/Program or Cluster Title	Assistance Listing Number	Federal Expenditures	Passed Through to Subrecipients
U.S. Department of Health and Human Services (continued)			
Children's Justice Grants to States	93.643	\$ 71,430	\$ -
COVID-19 - Stephanie Tubbs Jones Child Welfare Services Program	93.645	\$ 10,355	-
Stephanie Tubbs Jones Child Welfare Services Program	93.645	<u>792,211</u>	-
Total Stephanie Tubbs Jones Child Welfare Services Program		802,566	
COVID-19 - Foster Care Title IV-E	93.658	224,214	-
Foster Care Title IV-E	93.658	<u>1,074,183</u>	-
Total Foster Care Title IV-E		1,298,397	
Adoption Assistance	93.659	3,500,290	-
Substance Use-Disorder Prevention that Promotes Opioid Recovery and Treatment (SUPPORT) for Patients and Communities Act	93.664	1,390,617	-
COVID-19 - Emergency Grants to Address Mental and Substance Use Disorders During COVID-19	93.665	907,486	11,600
COVID-19 - Social Services Block Grant	93.667	1,822	-
Social Services Block Grant	93.667	<u>3,205,649</u>	-
Total Social Services Block Grant		3,207,471	
Child Abuse and Neglect State Grants	93.669	306,387	-
COVID-19 - Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services	93.671	47,851	42,772
Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services	93.671	<u>842,193</u>	780,041
Total Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services		890,044	
COVID-19 - Chafee Foster Care Independence Program	93.674	30,630	-
Chafee Foster Care Independence Program	93.674	<u>530,671</u>	-
Total Chafee Foster Care Independence Program		561,301	
State Public Health Approaches for Ensuring Quidline Capacity Funded in part by Prevention and Public Health Funds (PPHF)	93.735	8,333	-
COVID-19 - Preventive Health and Health Services Block Grant funded solely with Prevention and Public Health Funds (PPHF)	93.758	78,000	-
Preventive Health and Health Services Block Grant funded solely with Prevention and Public Health Funds (PPHF)	93.758	<u>255,628</u>	-
Total Preventive Health and Health Services Block Grant funded solely with Prevention and Public Health Funds (PPHF)		333,628	
COVID-19 - Children's Health Insurance Program	93.767	275	-
Children's Health Insurance Program	93.767	<u>39,323,970</u>	-
Total Children's Health Insurance Program		39,324,245	
<i>Medicaid Cluster</i>			
COVID-19 - State Medicaid Fraud Control Units	93.775	214	-
State Medicaid Fraud Control Units	93.775	<u>1,649,853</u>	-
Total State Medicaid Fraud Control Units		1,650,067	
State Survey and Certification of Health Care Providers and Suppliers	93.777	1,280,879	-
COVID-19 - Medical Assistance Program	93.778	85,911	-
Medical Assistance Program	93.778	<u>1,886,494,645</u>	-
Total Medical Assistance Program		1,886,580,556	
Total Medicaid Cluster		<u>1,889,511,502</u>	-
COVID-19 - Opioid STR	93.788	205,209	-
Opioid STR	93.788	<u>20,105,268</u>	4,960,004
Total Opioid STR		20,310,477	
Organized Approaches to Increase Colorectal Cancer Screening	93.800	232,027	-

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**STATE OF DELAWARE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2021**

Federal Grantor/Program or Cluster Title	Assistance Listing Number	Federal Expenditures	Passed Through to Subrecipients
U.S. Department of Health and Human Services (continued)			
COVID-19 - Hospital Preparedness Program (HPP) Ebola Preparedness and Response Activities	93.817	\$ 37,488	\$ -
Hospital Preparedness Program (HPP) Ebola Preparedness and Response Activities	93.817	<u>129,948</u>	-
Total Hospital Preparedness Program (HPP) Ebola Preparedness and Response Activities		\$ 167,436	
Maternal, Infant and Early Childhood Home Visiting Grant	93.870		3,076,641
COVID-19 - National Bioterrorism Hospital Preparedness Program	93.889	474,546	-
National Bioterrorism Hospital Preparedness Program	93.889	<u>842,367</u>	-
Total National Bioterrorism Hospital Preparedness Program			1,316,913
Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations	93.898		1,723,278
Foster Grandparent Program	93.912		95,814
Grants to States for Operation of State Offices of Rural Health	93.913		162,762
COVID-19 - HIV Care Formula Grants	93.917	122,965	-
HIV Care Formula Grants	93.917	<u>4,677,789</u>	-
Total HIV Care Formula Grants			4,800,754
HIV Prevention Activities_Health Department Based	93.940		1,186,457
Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance	93.944		330,816
Cooperative Agreements to Support State-Based Safe Motherhood and Infant Health Initiative Programs	93.946		365,550
Block Grants for Community Mental Health Services	93.958		1,241,617
			174,333
COVID-19 - Block Grants for Prevention and Treatment of Substance Abuse	93.959	4,471	
Block Grants for Prevention and Treatment of Substance Abuse	93.959	<u>7,123,848</u>	2,017,305
Total Block Grants for Prevention and Treatment of Substance Abuse			7,128,319
Sexually Transmitted Diseases (STD) Prevention and Control Grants	93.977		367,113
			-
COVID-19 - Mental Health Disaster Assistance and Emergency Mental Health	93.982		536,141
			-
Maternal and Child Health Services Block Grant to the States	93.994		1,747,277
Total U.S. Department of Health and Human Services		<u>2,190,257,101</u>	<u>23,620,157</u>
Corporation for National and Community Service			
State Commissions	94.003		249,820
AmeriCorps	94.006		791,668
Training and Technical Assistance	94.009		168,915
			-
<i>Foster Grandparent/Senior Companion Cluster</i>			
Foster Grandparent Program	94.011		425,433
Total Foster Grandparent/Senior Companion Cluster			425,433
			-
Total Corporation for National and Community Service		<u>1,635,836</u>	<u>745,856</u>
Executive Office of the President			
High Intensity Drug Trafficking Program	95.001		174,294
Total Executive Office of the President		<u>174,294</u>	<u>-</u>
Social Security Administration			
<i>Disability Insurance/SSI Cluster</i>			
COVID-19 - Social Security Disability Insurance	96.001	4,857	-
Social Security Disability Insurance	96.001	<u>4,660,768</u>	-
Total Social Security Disability Insurance			4,665,625
Total Disability Insurance/SSI Cluster			4,665,625
			-
Total Social Security Administration		<u>4,665,625</u>	<u>-</u>
U.S. Department Homeland Security			
Non-Profit Security Program	97.008		145,258
			145,258

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**STATE OF DELAWARE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2021**

Federal Grantor/Program or Cluster Title	Assistance Listing Number	Federal Expenditures	Passed Through to Subrecipients
U.S. Department of Homeland Security (continued)			
COVID-19 - Boating Safety Financial Assistance	97.012	\$ 49	\$ -
Boating Safety Financial Assistance	97.012	<u>1,007,703</u>	-
Total Boating Safety Financial Assistance		\$ 1,007,752	-
Community Assistance Program State Support Services Element (CAP-SSSE)	97.023	138,219	-
COVID-19 - Crisis Counseling	97.032	273,031	-
COVID-19 - Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	39,606,951	1,451,079
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	<u>627,676</u>	551,032
Total Crisis Disaster Grants - Public Assistance (Presidentially Declared Disasters)		40,234,627	
National Dam Safety Program	97.041	43,629	28,004
COVID-19 - Emergency Management Performance Grants	97.042	53,639	-
Emergency Management Performance Grants	97.042	<u>2,817,259</u>	1,127,322
Total Emergency Management Performance Grants		2,870,898	
State Fire Training Systems Grants	97.043	5,939	-
Assistance to Firefighters Grant	97.044	210,320	-
Cooperating Technical Partners	97.045	100,730	-
Pre-Disaster Mitigation	97.047	42,107	42,107
COVID-19 - Presidential Declared Disaster Assistance to Individuals and Households - Other Needs	97.050	56,697,515	-
Port Security Grant Program	97.056	443,623	-
Homeland Security Grant Program	97.067	<u>2,626,298</u>	<u>217,876</u>
Total U.S. Department Homeland Security		<u>104,839,946</u>	<u>3,562,678</u>
Research and Development Cluster			
U.S. Department of Commerce			
COVID-19 - Coastal Zone Management Estuarine Research	11.420	78	-
Coastal Zone Management Estuarine Research	11.420	<u>756,464</u>	24,023
Total Coastal Zone Management Estuarine Research		756,542	
National Science Foundation			
Integrative Activities	47.083	115,284	-
U.S. Department of Energy			
Conservation Research and Development	81.086	964	-
U.S. Department of Health and Human Services			
Food and Drug Administration_Research	93.103	371,042	-
COVID-19 - Injury Prevention and Control Research and State and Community Based Programs	93.136	269,364	-
Injury Prevention and Control Research and State and Community Based Programs	93.136	<u>4,921,533</u>	-
Total Injury Prevention and Control Research and State and Community Based Programs		5,190,897	
Pharmacology, Physiology, and Biological Chemistry Research	93.859	<u>98,974</u>	-
Total Research and Development Cluster		<u>6,533,703</u>	<u>24,023</u>
Total Expenditures of Federal Awards		<u>5,038,982,819</u>	<u>127,612,160</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards.

STATE OF DELAWARE
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The accompanying schedule of expenditures of federal awards (the SEFA) includes the federal award activity of the State of Delaware (State) under programs of the federal government for the year ended June 30, 2021. The information in the SEFA 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 SEFA presents operations of the State of Delaware, it is not intended to and does not present the financial position, changes in net assets, or cash flows of those programs administered by the Delaware State Housing Authority, Diamond State Port Corporation, Riverfront Development Corporation, Delaware State University, Delaware Charter Schools, and Delaware Agricultural Lands Preservation Foundation.

Basis of Accounting

Expenditures reported on the SEFA are reported on the cash basis of accounting except for the inclusion of noncash items. Therefore, some amounts presented in the SEFA may differ from amounts presented in, or used in the preparation of, the State of Delaware's basic financial statements. 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 SEFA represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The State of Delaware has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance and continues to use a negotiated rate.

NOTE 2 STUDENT FINANCIAL ASSISTANCE PROGRAMS

Federally guaranteed loans issued to students of Delaware Technical and Community College (the College) by financial institutions during the year ended June 30, 2021 totaled \$33,726,813. This amount is included on the SEFA (Assistance Listing # 84.007, 84.033, 84.063, 84.268).

The College is responsible only for the performance of certain administrative duties with respect to federally guaranteed student loan programs, and accordingly, it is not practical to determine the balances of loans outstanding to students and former students of the College under these programs.

**STATE OF DELAWARE
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2021**

NOTE 3 REVOLVING LOAN FUNDS

The Clean Water State Revolving Fund and the Drinking Water State Revolving Fund are revolving loan funds. Federally funded new loans provided under these programs are included as expenditures on the schedule of expenditures of federal awards. The State had the following loan balances outstanding at June 30, 2021:

	Assistance Listing	Amounts Outstanding
Clean Water State Revolving Fund	66.458	\$ 258,851,432
Drinking Water State Revolving Fund	66.468	106,403,246
Total		<u>\$ 365,254,678</u>

The amounts shown as outstanding for Assistance Listing # 66.458 and 66.468 were not funded entirely with federal monies.

NOTE 4 UNEMPLOYMENT INSURANCE FUNDS

State Unemployment tax revenues and the government and nonprofit contributions in lieu of state taxes (State UI funds) must be deposited into the Unemployment Trust Fund in the U.S. Treasury. Use of these funds is restricted to pay benefits under the federally approved State Unemployment Law. State UI funds as well as federal funds are reported in the SEFA under assistance listing number 17.225. The claim payments included in the SEFA at June 30, 2021 were \$725,873,735.

NOTE 5 NONCASH ASSISTANCE

The State is the recipient of federal financial assistance programs that do not result in cash receipts of disbursements. Noncash amounts received by the State are included in the SEFA as follows:

	Assistance Listing	Amounts
Pandemic EBT - Food Benefits	10.542	\$ 87,705,326
Supplemental Nutrition Assistance Program (EBT Payments)	10.551	274,067,438
Emergency Food Assistance Program (Commodities)	10.569	2,564,557
Food for Education (Commodities)	10.608	6,175,089
Immunization Grants (Vaccines)	93.268	12,505,399

NOTE 6 SUBRECIPIENTS

The amount of expenditures paid to subrecipients was \$127,612,160 for the year ended June 30, 2021.

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**STATE OF DELAWARE
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2021**

NOTE 7 RESEARCH AND DEVELOPMENT

The total direct amount expended for Research and Development was \$6,533,703 for the year ended June 30, 2021.

NOTE 8 DISASTER GRANTS – PUBLIC ASSISTANCE (ASSISTANCE LISTING 97.036)

After a Presidential-Declared Disaster, FEMA provides a Public Assistance Grant to reimburse eligible costs associated with repair, replacement, or restoration of disaster-damaged facilities. The federal government reimburses in the form of cost-shared grants which requires state matching funds. For the year ended June 30, 2021, \$37,412,195 of approved eligible expenditures that were incurred in a prior year are included on the Schedule.

NOTE 9 REBATES FROM THE SPECIAL SUPPLEMENTAL NUTRITION PROGRAM FOR WOMEN, INFANTS, AND CHILDREN (WIC)

During fiscal year 2021, the state received cash rebates from infant formula manufacturers in the amount of \$5,375,531 on sales of formula to participants in the WIC program (Assistance Listing 10.557), which are netted against total expenditures included in the Schedule. Rebate contracts with infant formula manufacturers are authorized by Code of Federal Regulations, Title 7: Agriculture, Subtitle B, Chapter II, Subchapter A, Part 246.16a as a cost containment measure. Rebates represent a reduction of expenditures previously incurred for WIC food benefit costs. Applying the rebates received to such costs enabled the State to extend program benefits to more participants than could have been serviced this fiscal year in the absence of the rebate contract.

NOTE 10 DONATED PERSONAL PROTECTIVE EQUIPMENT (PPE) (UNAUDITED)

The State is the recipient of federally donated PPE. The fair market value of the PPE at the time of receipt was \$156,546.

NOTE 11 CCDF CLUSTER (ASSISTANCE LISTINGS 93.575 AND 93.596)

Expenditures reported in the Schedule for the Child Care Development Fund (CCDF) Cluster include the following funding sources:

	Amounts
CCDBG	\$ 16,350,095
CCDF Mandatory and Matching	12,528,103
CCDF CARES	2,528,838
CCDF CRRSA	20,777,167
	\$ 52,184,203

See accompanying Notes to Schedule of Expenditures of Federal Awards.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

**STATE OF DELAWARE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2021**

Section I – Summary of Auditors’ Results

Financial Statements

1. Type of auditors’ report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness(es) identified? x yes no
 - Significant deficiency(ies) identified? x yes none reported
3. Noncompliance material to financial statements noted? yes x no

Federal Awards

1. Internal control over major federal programs:
- Material weakness(es) identified? x yes no
 - Significant deficiency(ies) identified? x yes none reported
2. Type of auditors’ report issued on compliance for major federal programs: See Below
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? x yes no

Dollar threshold used to distinguish between Type A and Type B programs:

\$ 15,116,948

Auditee qualified as low-risk auditee?

 yes x no

**STATE OF DELAWARE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2021**

Section I – Summary of Auditors’ Results (Continued)

Identification of Major Federal Programs

Major Programs	Assistance Listing	Opinion
SNAP Cluster	10.551, 10.561	Unmodified
Pandemic EBT	10.542	Unmodified
National Guard Military Operations and Maintenance (O&M) Projects	12.401	Unmodified
Unemployment Insurance	17.225	Qualified
Federal Transit Cluster	20.507, 20.525, 20.526	Unmodified
Coronavirus Relief Fund	21.019	Qualified
Education Stabilization Fund	84.425	Unmodified
Immunization Grants	93.268	Unmodified
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	Qualified
Child Support Enforcement	93.563	Unmodified
Low-Income Home Energy Assistance	93.568	Qualified
CCDF Cluster	93.575, 93.596	Unmodified
Childrens Health Insurance Program	93.767	Qualified
Medicaid Cluster	93.775, 93.777, 93.778	Qualified
Opioid STR	93.788	Qualified
Block Grants for Prevention and Treatment of Substance Abuse	93.959	Qualified
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	Qualified
Presidential Declared Disaster Assistance to Individuals and Households - Other Needs	97.050	Qualified

**STATE OF DELAWARE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2021**

Section II – Financial Statement Findings

Material Weakness

Finding 2021-001 – Unemployment Fund – Audit Adjustments

Condition

The Department of Labor did not have controls properly implemented to ensure that cash, taxes receivable, accounts receivable, intergovernmental receivables, claims payable, unemployment tax revenue, unemployment benefits expense, and federal grants revenue were recorded accurately.

Criteria

COSO/Internal Control Framework defines control activities as “policies and procedures that help ensure management’s directives are carried out.” Management review controls are defined as, “the activities of a person, different than the preparer, through analyzing and performing oversight of activities performed, and is an integral part of any internal control structure.”

Context

Our audit procedures detected material and immaterial misstatements to cash, taxes receivable, accounts receivable, intergovernmental receivables, claims payable, unemployment tax revenue, unemployment benefits expense, and federal grants revenue.

Effect

Certain adjustments were required to be made to the accounting records subsequent to the start of the audit process.

Cause

The Department of Labor’s internal controls over financial reporting did not ensure proper reconciliation and review of account balances at year end.

Recommendation

We recommend that the Department of Labor establish policies and procedures for their year end close and the account reconciliation process to ensure accounts are properly stated. The policies and procedures established should also ensure account reconciliations are reviewed timely and by the appropriate personnel.

Management Response

Management concurs with the finding. Accounts required adjustments due to an error in the unemployment tax and misapplication of funds received from federal funding under the CARES Act. Numerous employers’ unemployment tax rate was inappropriately increased during fiscal year 2021. Corrections to the rate were implemented after June 30, 2021, but due to the use of an older mainframe system, these corrections restated the balances of taxes receivable and unemployment tax revenue as of June 30, 2021. The federal funding received for taxes due from not-for-profit employers was recorded directly to revenue instead of applying to the receivables balances for these employers. Employee turnover and the increased workload due to the COVID-19 pandemic limited the detail review of the accounts impacted. DOL is training new employees and working with consultants, as needed, to ensure proper reconciliation and review of accounts occurs at least quarterly. DOL is working with the consultants and the Division of Accounting internal control team to update internal control policies and procedures for account reconciliation.

**STATE OF DELAWARE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2021**

Section II – Financial Statement Findings (Continued)

Significant Deficiency

Finding 2021-002 – Unemployment Insurance Cash

Condition

In the reporting of cash and cash equivalents, the Department of Labor’s reconciled book balance on the bank reconciliation did not agree to the balance recorded in the general ledger.

Criteria

COSO/Internal Control Framework defines control activities as “policies and procedures that help ensure management’s directives are carried out.” Management review controls are defined as, “the activities of a person, different than the preparer, through analyzing and performing oversight of activities performed, and is an integral part of any internal control structure.”

Context

The variance in the amount of \$2,992,819 was not noted during the Department of Labor’s reconciliation process. As a result of our audit inquiries an adjusting entry was made by the Department of Labor to correct \$2,910,437 of the variance, leaving a remaining unresolved variance of \$82,382.

Effect

The financial statements contain an immaterial overstatement of cash and cash equivalents and the State passed on making the proposed audit adjustment.

Cause

The Department of Labor was informed of a similar variance during the 2020 audit. The Department of Labor’s internal controls over the bank reconciliation and financial reporting processes failed to remedy the deficiency communicated to them in the prior year. Additionally, the Department of Labor failed to identify that the variance between the reconciled book balance and general ledger was an error requiring correction during their reviews of bank reconciliations during 2021.

Recommendation

We recommend that policies and procedures be improved to ensure that internal controls over the bank reconciliation and financial reporting processes are thorough and performed by personnel with proper experience in order to identify and correct errors and misstatements.

Management Response

Management concurs with the finding. Employee turnover and the increased workload caused by the COVID-19 pandemic limited the time spent investigating the unreconciled differences. Late in the fiscal year, DOL requested assistance with reconciling the cash accounts and ultimately hired an outside accounting firm. Cash account detail is maintained in spreadsheets and paper statements, which slowed the reconciliation process resulting in the adjustment for financial statement purposes. DOL continues work with the outside accountant, completing cash proofs for each month in an effort to resolve all unreconciled differences each month. DOL in consultation with the outside accountant is updating the internal control policies and procedures to ensure appropriate personnel perform and review all account reconciliations.

**STATE OF DELAWARE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2021**

Section III – Findings and Questioned Costs – Major Federal Programs

Matrix of Findings by Federal Agency and Federal Program

Major Federal Program	Federal Agency (Prefix)	Assistance Listing	Finding #	Internal Control		Compliance
				Material Weakness	Significant Deficiency	
Unemployment Insurance	U.S. DOL (17)	17.225	2021-003	X		X
Unemployment Insurance	U.S. DOL (17)	17.225	2021-004		X	X
Unemployment Insurance	U.S. DOL (17)	17.225	2021-005		X	X
Unemployment Insurance	U.S. DOL (17)	17.225	2021-006		X	X
Coronavirus Relief Fund	U.S. TREAS (21)	21.019	2021-007	X		X
Education Stabilization Fund	U.S DOE (84)	84.425	2021-008		X	X
Immunization	U.S HHS (93)	93.268	2021-009		X	X
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	U.S HHS (93)	93.323	2021-010	X		
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	U.S HHS (93)	93.323	2021-011	X		X
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	U.S HHS (93)	93.323	2021-012		X	X
Low-Income Home Energy Assistance Program	U.S HHS (93)	93.568	2021-013	X		X
Children's Health Insurance Program	U.S HHS (93)	93.767	2021-014		X	X
Medicaid Cluster; Children's Health Insurance Program	U.S HHS (93)	93.775, 93.777, 93.778, 93.767	2021-015	X		X
Medicaid Cluster	U.S HHS (93)	93.775, 93.777, 93.778	2021-016	X		X

**STATE OF DELAWARE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2021**

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

Matrix of Findings by Federal Agency and Federal Program (Continued)

Major Federal Program	Federal Agency (Prefix)	Assistance Listing	Finding #	Internal Control		Compliance
				Material Weakness	Significant Deficiency	
Medicaid Cluster	U.S HHS (93)	93.775, 93.777, 93.778	2021-017		X	X
Opioid State Targeted Response	U.S HHS (93)	93.788	2021-018	X		X
Opioid State Targeted Response	U.S HHS (93)	93.788	2021-019	X		X
Opioid State Targeted Response	U.S HHS (93)	93.788	2021-020	X		X
Opioid State Targeted Response	U.S HHS (93)	93.788	2021-021		X	X
Opioid State Targeted Response	U.S HHS (93)	93.788	2021-022		X	X
Opioid State Targeted Response	U.S HHS (93)	93.788	2021-023		X	X
Block Grants for Prevention and Treatment of Substance Abuse	U.S HHS (93)	93.959	2021-024	X		X
Block Grants for Prevention and Treatment of Substance Abuse	U.S HHS (93)	93.959	2021-025		X	
Block Grants for Prevention and Treatment of Substance Abuse	U.S HHS (93)	93.959	2021-026		X	X
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	U.S. DHS (97)	97.036	2021-027	X		X
Presidential Declared Disaster Assistance to Individuals and Households - Other Needs	U.S. DHS (97)	97.050	2021-028	X		X
Presidential Declared Disaster Assistance to Individuals and Households - Other Needs	U.S. DHS (97)	97.050	2021-029		X	X

**STATE OF DELAWARE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2021**

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

Reference Number: 2021-003
Prior Year Finding: No
Federal Agency: U.S. Department of Labor
State Department Name: Department of Labor
State Division Name: Division of Unemployment Insurance
Federal Program: Unemployment Insurance, COVID-19 – Unemployment Insurance
Assistance Listing Number: 17.225
Award Number and Year: UI325911955A10 (10/1/2018 – 12/31/2021)
UI340502055A10 (10/1/2019 – 12/31/2022)
Compliance Requirement: Reporting – ETA 2208A, Quarterly UI Above-Base Report
Type of Finding: Material Weakness in Internal Control over Compliance, Material Noncompliance

Criteria or specific requirement:

Compliance: ETA 2208A, Quarterly UI Above-Base Report (OMB No. 1205-0132) – Quarterly report of staff years worked and paid by program category. Reports are due no later than 30 days after the end of each quarter.

Control: Per 2 CFR section 200.303(a), a non-Federal entity must: Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should comply with the guidance in "Standards for Internal Control in the Federal Government" issued by the Comptroller General of the United States or the "Internal Control-Integrated Framework," issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Condition:

The Division was unable to provide support for the *ETA 2208A – Quarterly UI Above-Base Reports*. In addition, reports were not filed timely.

Context:

Two quarterly ETA 2208A reports were selected for testing and the following exceptions were noted:

- The Department was unable to provide support for 2 of 2 reports tested. The completeness and accuracy of the reports could not be verified.
- 2 of 2 reports tested were not filed timely. The 9/30/2020 report was due by 11/1/2020 and it was filed on 12/7/2020. The 3/31/2021 report was due by 5/1/2021 and it was filed on 5/10/2021.

Questioned costs:

Undetermined.

STATE OF DELAWARE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2021

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

Cause:

The Division's procedures and internal controls were not sufficient to ensure that supporting documentation was maintained for ETA 2208A reports, nor to ensure that reports were filed timely.

Effect:

The completeness and accuracy of the reports submitted could not be verified and reports were not filed timely.

Recommendation:

The Division should review and update its reporting procedures and controls to ensure that supporting documentation is maintained for all reports and that reports are filed timely.

Views of responsible officials:

Better documentation and system established.

**STATE OF DELAWARE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2021**

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

Reference Number: 2021-004
Prior Year Finding: No
Federal Agency: U.S. Department of Labor
State Department Name: Department of Labor
State Division Name: Division of Unemployment Insurance
Federal Program: Unemployment Insurance, COVID-19 – Unemployment Insurance
Assistance Listing Number: 17.225
Award Number and Year: UI325911955A10 (10/1/2018 – 12/31/2021)
UI340502055A10 (10/1/2019 – 12/31/2022)
Compliance Requirement: Reporting – ETA 191, Financial Status of UCFE/UCX Financial Status of UCFE/UCX
Type of Finding: Significant Deficiency in Internal Control over Compliance, Other Matters

Criteria or specific requirement:

Compliance: ETA 191, *Financial Status of UCFE/UCX* (OMB No. 1205-0162) – Quarterly report on UCFE and UCX expenditures and the total amount of benefits paid to claimants of specific federal agencies (ET Handbook 401). Per federal regulations, the ETA 191 should be submitted electronically to the National Office by the 25th of the month following the close of the quarter.

Control: Per 2 CFR section 200.303(a), a non-Federal entity must: Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should comply with the guidance in "Standards for Internal Control in the Federal Government" issued by the Comptroller General of the United States or the "Internal Control-Integrated Framework," issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Condition:

Errors were noted in the submitted ETA 191 – *Financial Status of UCFE/UCX* report. Support for the 9/30/2020 quarterly report did not match the amounts reported. Reported amounts for UCFE exceeded support by \$11,255, or 10%, and for UCFX by \$9,992, or 6%.

Context:

One of two quarterly ETA 191 reports selected for testing contained errors as identified above.

Questioned costs:

\$21,247, the amount incorrectly reported.

Cause:

Data entry errors were made when the 9/30/2020 report was compiled, and supervisory review did not detect the errors.

**STATE OF DELAWARE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2021**

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

Effect:

Incorrect amounts were reported on the ETA 191 – *Financial Status of UCFE/UCX* report.

Recommendation:

The Division should review and update its reporting procedures and controls to ensure that submitted reports are accurate and reconcile to supporting documentation.

Views of responsible officials:

Bi-Weekly meeting with the ETA program officials to receive proper training related to all Federal ETA Reports. Scheduling both virtual and in person sessions to get all new staff trained properly. As we become properly trained we will be reviewing and updating policies related to ETA reporting.

**STATE OF DELAWARE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2021**

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

Reference Number: 2021-005
Prior Year Finding: No
Federal Agency: U.S. Department of Labor
State Department Name: Department of Labor
State Division Name: Division of Unemployment Insurance
Federal Program: Unemployment Insurance, COVID-19 – Unemployment Insurance
Assistance Listing Number: 17.225
Award Number and Year: UI325911955A10 (10/1/2018 – 12/31/2021)
UI340502055A10 (10/1/2019 – 12/31/2022)
Compliance Requirement: Special Tests and Provisions – Employer Experience Rating
Type of Finding: Significant Deficiency in Internal Control over Compliance, Other Matters

Criteria or specific requirement:

Compliance: Certain benefits accrue to states and employers as a result of the state having a federally approved experience-rated UI tax system. All states currently have an approved system. For the purpose of proper administration of the system, the SWA maintains accounts, or subsidiary ledgers, on a state UI taxes received or due from individual employers, and the UI benefits charged to the employer. The employer’s “experience” with the unemployment of former employees is the dominant factor in the SWA computation of the employer’s annual state UI tax rate. The computation of the employer’s annual tax rate is based on state UI law (26 USC 3303).

Control: Per 2 CFR section 200.303(a), a non-Federal entity must: Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in “Standards for Internal Control in the Federal Government” issued by the Comptroller General of the United States or the “Internal Control Integrated Framework”, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Condition:

The Division incorrectly calculated employer experience ratings. Quarterly tax reports contained employer payments that were made at a rate inconsistent with the assigned contribution rate.

Context:

Exceptions noted in five of forty employer experience rates selected for testing.

Questioned costs:

Undetermined.

Cause:

The Division is behind in making adjustments and issuing refunds to employers utilizing incorrect rates.

**STATE OF DELAWARE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2021**

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

Effect:

Incorrect employer experience rates were applied to employers.

Recommendation:

The Division should review and enhance procedures and controls to ensure that employer experience rates are properly calculated and applied.

Views of responsible officials:

The calculation situation was caused by special rule issued by Secretary of Labor due to COVID 19 pandemic. We are reviewing are true MERIT process to ensure rates are charged correctly. Pre-COVID reviews show little to no variances in this area. The agency will continue to review and manually adjust accounts to the proper tax rate based on Emergency Rule 18.

STATE OF DELAWARE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2021

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

Reference Number: 2021-006
Prior Year Finding: 2020-015
Federal Agency: U.S. Department of Labor
State Department Name: Department of Labor
State Division Name: Division of Unemployment Insurance
Federal Program: Unemployment Insurance, COVID-19 – Unemployment Insurance
Assistance Listing Number: 17.225
Award Number and Year: UI325911955A10 (10/1/2018 – 12/31/2021)
UI340502055A10 (10/1/2019 – 12/31/2022)
Compliance Requirement: Special Tests – UI Program Integrity - Overpayments
Type of Finding: Significant Deficiency in Internal Control over Compliance, Other Matters

Criteria or specific requirement:

Compliance: Per 42 U.S. Code § 503 (g) (1), A State shall deduct from unemployment benefits otherwise payable to an individual an amount equal to any overpayment made to such individual under an unemployment benefit program of the United States or of any other State, and not previously recovered. The amount so deducted shall be paid to the jurisdiction under whose program such overpayment was made. Any such deduction shall be made only in accordance with the same procedures relating to notice and opportunity for a hearing as apply to the recovery of overpayments of regular unemployment compensation paid by such State. (2) Any State may enter into an agreement with the Secretary of Labor under which— (A) the State agrees to recover from unemployment benefits otherwise payable to an individual by such State any overpayments made under an unemployment benefit program of the United States to such individual and not previously recovered, in accordance with paragraph (1), and to pay such amounts recovered to the United States for credit to the appropriate account, and (B) the United States agrees to allow the State to recover from unemployment benefits otherwise payable to an individual under an unemployment benefit program of the United States any overpayments made by such State to such individual under a State unemployment benefit program and not previously recovered, in accordance with the same procedures as apply under paragraph (1).

Control: Per 2 CFR section 200.303(a), a non-Federal entity must: Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in “Standards for Internal Control in the Federal Government” issued by the Comptroller General of the United States or the “Internal Control Integrated Framework”, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Condition:

Claimants received overpayments and the Division did not initiate required procedures for identifying the basis for the overpayments and offsetting debts resulting from the overpayments.

Context:

Exceptions noted in two of sixty overpayment cases selected for testing.

**STATE OF DELAWARE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2021**

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

Questioned costs:

Undetermined.

Cause:

The Division did not establish effective internal controls over the overpayment process.

Effect:

Overpayments could go undetected without the required offsetting and recovery procedures performed.

Recommendation:

The Division should reiterate policies and procedures to ensure overpayments are properly identified, handled, assessed, and that offsetting and recovery procedures are performed.

Views of responsible officials:

Management recognizes the operational burden Covid-related volumes placed on the Overpayments unit. The need for more extensive procedural training, particularly among contract employees, is evident. To address this need, resources from NASWA (Fraud investigation training) and the Project Management Office (detection software in Modernization project) will be employed to augment internal BPC training initiatives.

Steps are also being taken to use a centralized, paperless system to ensure all notations, communications and documentation are easily accessible for processing purposes.

**STATE OF DELAWARE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2021**

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

Reference Number: 2021-007
Prior Year Finding: No
Federal Agency: U.S. Department of the Treasury
State Department Name: Delaware Office of Management and Budget
Federal Program: COVID-19 – Coronavirus Relief Fund
Assistance Listing Number: 21.019
Award Number and Year: SLT0034, SLT0242 (3/1/2020 – 12/31/2021)
Compliance Requirement: Subrecipient Monitoring
Type of Finding: Material Weakness in Internal Control Over Compliance, Material Noncompliance

Criteria or specific requirement:

Compliance: 2 CFR §200.332 - Requirements for Pass-Through Entities states, in part, that all pass-through entities must:

- (a) Ensure that every subaward is clearly identified to the subrecipient as a subaward and includes information at the time of the subaward and if any of these data elements change, include the changes in subsequent subaward modification. When some of this information is not available, the pass-through entity must provide the best information available to describe the Federal award and subaward. Required information includes:
 - (ii) Subrecipient's unique entity identifier;
 - (iii) Federal Award Identification Number (FAIN);
 - (iv) Federal Award Date;
 - (xi) Assistance Listing number and Title;
- (b) Evaluate each subrecipient's risk of noncompliance with Federal statutes, regulations, and the terms and conditions of the subaward for purposes of determining the appropriate subrecipient monitoring described in paragraphs (d) and (e) of this section, which may include consideration of such factors as:
 - (1) The subrecipient's prior experience with the same or similar subawards;
 - (2) The results of previous audits including whether or not the subrecipient receives a Single Audit in accordance with Subpart F - Audit Requirements of this part, and the extent to which the same or similar subaward has been audited as a major program;
 - (3) Whether the subrecipient has new personnel or new or substantially changed systems;
 - (4) The extent and results of Federal awarding agency monitoring (e.g., if the subrecipient also receives Federal awards directly from a Federal awarding agency).
- (d) Monitor the activities of the subrecipient as necessary to ensure that the subaward is used for authorized purposes, in compliance with Federal statutes, regulations, and the terms and conditions of the subaward; and that subaward performance goals are achieved. Pass-through entity monitoring of the subrecipient must include:
 - (1) Reviewing financial and performance reports required by the pass-through entity.
 - (2) Following-up and ensuring that the subrecipient takes timely and appropriate action on all deficiencies pertaining to the Federal award provided to the subrecipient from the pass-through entity detected through audits, on-site reviews, and other means.
 - (3) Issuing a management decision for audit findings pertaining to the Federal award provided to the subrecipient from the pass-through entity as required by § 200.521 Management decision.

**STATE OF DELAWARE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2021**

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

- (e) Depending upon the pass-through entity's assessment of risk posed by the subrecipient (as described in paragraph (b) of this section), the following monitoring tools may be useful for the pass-through entity to ensure proper accountability and compliance with program requirements and achievement of performance goals:
- (1) Providing subrecipients with training and technical assistance on program-related matters; and
 - (2) Performing on-site reviews of the subrecipient's program operations;
 - (3) Arranging for agreed-upon-procedures engagements as described in § 200.425 Audit services.
- (f) Verify that every subrecipient is audited as required by Subpart F - Audit Requirements of this part when it is expected that the subrecipient's Federal awards expended during the respective fiscal year equaled or exceeded the threshold set forth in § 200.501 Audit requirements.

Control: Per 2 CFR Section 200.303(a), a non-Federal entity must: Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should comply with guidance in "Standards for Internal Control in the Federal Government" issued by the Comptroller General of the United States or the "Internal Control Integrated Framework", issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Condition:

Delaware Office of Management and Budget (OMB) did not furnish all required information to its subrecipients at the time of issuance of the subawards. Further, the OMB was not able to provide support that it monitored all subrecipients nor that it ensured its subrecipients were audited as required by 2 CFR Part 200 Subpart F – Audit Requirements (Subpart F).

Context:

Exceptions were noted in five of five subrecipients selected for testing:

- For five of five subrecipients, the subrecipient's unique entity identifier and the assistance listing number and title was not provided to the subrecipient at the time of award issuance. For four of five subrecipients, the FAIN was not provided to the subrecipient at the time of award issuance. For three of five subrecipients, the federal award date was not provided to the subrecipient at the time of award issuance.
- For four of five subrecipients, OMB was unable to provide support that it conducted during the award monitoring as required by the OMB's policies and procedures.
- For four of five subrecipients, the OMB was unable to provide support that it ensured the subrecipients were audited as required by Subpart F. OMB could not produce evidence of verification that the subrecipient's Federal awards expended during the fiscal year were below the threshold set forth in § 200.501 Audit requirements.

Questioned costs:

Undetermined.

Cause:

OMB did not establish effective internal controls and procedures over subrecipient monitoring.

**STATE OF DELAWARE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2021**

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

Effect:

Excluding the required federal grant award information at the time of the subaward may cause subrecipients and their auditors to be uninformed about specific program and other regulations that apply to the funds they receive. There is also the potential for subrecipients to have incomplete Schedules of Expenditures of Federal Awards (SEFA) in their Single Audit reports, and federal funds may not be properly audited at the subrecipient level in accordance with the Uniform Guidance.

Not conducting during the award monitoring may result in a failure of OMB to detect that its subrecipients used subawards for unauthorized purposes, managed them in violation of the terms and conditions of the subawards, or that subaward performance goals were not achieved.

Without ensuring subrecipients have obtained audits as required by Subpart F, there is an increased risk that subrecipients could be inappropriately spending and/or inaccurately tracking and reporting federal funds over multiple year periods, and these discrepancies may not be properly monitored, detected, and corrected by OMB personnel on a timely basis.

Recommendation:

OMB should review and enhance internal controls and procedures to ensure that all required information is included in all subawards, that proper subrecipient monitoring is conducted, and that evaluation of independent audits is performed.

Views of responsible officials:

OMB has updated subrecipient agreements to include all data elements required by 2 CRF 200 and will update internal controls and procedures to ensure subrecipient monitoring is conducted more efficiently in the future. OMB has issued audit confirmation notices to all subrecipients ensuring 2 CRF 200 data elements are conveyed clearly and instructing subrecipients to forward a copy of the two most recently completed single audit financial statements for evaluation.

**STATE OF DELAWARE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2021**

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

Reference Number: 2021-008
Prior Year Finding: No
Federal Agency: U.S. Department of Education
State Department Name: Delaware Technical Community College
Federal Program: COVID-19 – HEERF Institutional Portion
Assistance Listing Number: 84.425F
Award Number and Year: P425E204740 (5/24/2020 – 5/11/2022)
P425F204690 (8/18/2020 – 5/14/2022)
Compliance Requirement: Reporting – Quarterly Public Reporting – Institutional Portion
Type of Finding: Significant Deficiency in Internal Control Over Compliance, Other Matters

Criteria or specific requirement:

Compliance: Recipients of Education Stabilization Fund-Higher Education Emergency Relief Fund (HEERF) must complete the following special reporting components: 1) Public reporting on the (a)(1) Student Aid Portion; 2) Public reporting on the (a)(1) Institutional Portion (a)(2) and (a)(3) subprograms (Quarterly Reporting Form), as applicable; and 3) Annual report.

Quarterly Public Reporting-Institutional Portion: The CARES, CRRSAA, and ARP institutional quarterly reporting requirements involve publicly posting completed forms on the institution's website. The forms must be conspicuously posted on the institution's primary website on the same page the reports of the IHE's activities as to the emergency financial aid grants to students (Student Aid Portion) are posted. A new, separate form must be posted covering aggregate amounts spent for HEERF I, HEERF II, and HEERF III funds each quarterly reporting period, concluding after an institution has expended and liquidated all (a)(1) Institutional Portion, (a)(2), and (a)(3) funds and checks the "final report" box. IHEs must post this quarterly report form no later than 10 days after the end of each calendar quarter (October 10, January 10, April 10, July 10) apart from the first report, which was due October 30, 2020, and the report covering the first quarter of 2021, which is due July 10, 2021.

Control: Per 2 CFR section 200.303(a), a non-Federal entity must: Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should comply with guidance in "Standards for Internal Control in the Federal Government" issued by the Comptroller General of the United States or the "Internal Control Integrated Framework", issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Condition:

Delaware Technical Community College (the College) did not publish information required for the Quarterly Institutional Portion special report in a timely manner. The March 31, 2021 quarterly report was due no later than April 10, 2021 and the June 30, 2021 quarterly report was due no later than July 10, 2021. Both reports were published on October 10, 2021.

**STATE OF DELAWARE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2021**

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

Context:

Two of two Quarterly Institutional Portion special reports were not published timely.

Questioned costs:

None noted.

Cause:

The College's procedures and controls were insufficient to ensure that required information was reported timely.

Effect:

The College was out of compliance with special reporting requirements.

Recommendation:

The College should review and enhance internal controls and procedures to ensure that the quarterly institutional reports are completed and submitted timely.

Views of responsible officials:

The College agrees with the finding and corrected the condition of the March 31 and June 30, 2021 quarterly HEERF- Institutional Portion reports as published by October 10, 2021 with no questioned costs as well as met timely and thorough annual reporting and internal control compliance requirements. The College did and continues to take quarterly reporting Improvement actions which included attending Fall 2021 US DOE reporting webinar and utilizing additional/updated training material/tutorials available along with application of comprehensive guidance on technical elements put forth per September 30, 2021 US DOE Acting Assistant Secretary for Postsecondary Education's Dear Colleagues Letter. The College continues to train additional and new staff assigned to support the timely and technical demands of the HEERF Quarterly Reporting.

**STATE OF DELAWARE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2021**

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

Reference Number: 2021-009
Prior Year Finding: No
Federal Agency: U.S. Department of Health and Human Services
State Department Name: Department of Health and Social Services
State Division Name: Division of Public Health
Federal Program: Immunization Cooperative Agreements, COVID-19 - Immunization Cooperative Agreements
Assistance Listing Number: 93.268
Award Number and Year: NH23IP922598 (7/1/2020 – 9/30/2024)
Compliance Requirement: Allowable Cost/Cost Principles – Time and Effort Reporting
Type of Finding: Significant Deficiency in Internal Control Over Compliance, Other Matters

Criteria or specific requirement:

Compliance: 2 CFR Section 200.430 (8)(i) Standards for Documentation of Personnel Expenses states that: Charges to Federal awards for salaries and wages must be based on records that accurately reflect the work performed. These records must:

- (i) Be supported by a system of internal control which provides reasonable assurance that the charges are accurate, allowable, and properly allocated;
- (ii) Be incorporated into the official records of the non-Federal entity;
- (iii) Reasonably reflect the total activity for which the employee is compensated by the non-Federal entity, not exceeding 100% of compensated activities;
- (iv) Encompass both federally assisted and all other activities compensated by the non-Federal entity on an integrated basis, but may include the use of subsidiary records as defined in the non-Federal entity's written policy;
- (v) Comply with the established accounting policies and practices of the non-Federal entity;
- (vii) Support the distribution of the employee's salary or wages among specific activities or cost objectives if the employee works on more than one Federal award; a Federal award and non-Federal award; an indirect cost activity and a direct cost activity; two or more indirect activities which are allocated using different allocation bases; or an unallowable activity and a direct or indirect cost activity.

Control: Per 2 CFR section 200.303(a), a non-Federal entity must: Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should comply with guidance in "Standards for Internal Control in the Federal Government" issued by the Comptroller General of the United States or the "Internal Control Integrated Framework", issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Condition:

Time and effort certifications were not documented in accordance with federal requirements. The Division was unable to provide adequate support to validate actual payroll expenses charged to the federal program.

STATE OF DELAWARE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2021

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

Context:

Four of forty time and effort certifications were not documented in accordance with federal requirements.

Questioned costs:

Undetermined.

Cause:

Controls were not operating effectively to ensure that time and effort reporting was performed in accordance with federal requirements.

Effect:

There is an increased risk of charging unallowed payroll costs to the program.

Recommendation:

The Division should reevaluate its current process, implement proper controls, and perform additional training over time and effort reporting. The Division should not seek federal reimbursement unless it can substantiate that the time and effort was dedicated to the federal program.

Views of responsible officials:

The positions related to the staff selected as samples were removed from Immunization Grant funding, due to reorganization, effective 7/1/2022. Going forward the Division will ensure all staff are properly coded to funding sources, and if errors are identified will promptly make any corrections necessary.

STATE OF DELAWARE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2021

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

Reference Number: 2021-010
Prior Year Finding: No
Federal Agency: U.S. Department of Health and Human Services
State Department Name: Department of Health and Social Services
State Division Name: Division of Public Health
Federal Program: COVID-19 – Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)
Assistance Listing Number: 93.323
Award Number and Year: NU50CK000497 (8/1/2019 – 7/31/2024)
Compliance Requirement: Allowable Cost/Cost Principles – Time and Effort Reporting
Type of Finding: Material Weakness in Internal Control Over Compliance

Criteria or specific requirement:

Compliance: 2 CFR Section 200.430 (8)(i) Standards for Documentation of Personnel Expenses states that: Charges to Federal awards for salaries and wages must be based on records that accurately reflect the work performed. These records must:

- (vi) Be supported by a system of internal control which provides reasonable assurance that the charges are accurate, allowable, and properly allocated;
- (vii) Be incorporated into the official records of the non-Federal entity;
- (viii) Reasonably reflect the total activity for which the employee is compensated by the non-Federal entity, not exceeding 100% of compensated activities;
- (ix) Encompass both federally assisted and all other activities compensated by the non-Federal entity on an integrated basis, but may include the use of subsidiary records as defined in the non-Federal entity's written policy;
- (x) Comply with the established accounting policies and practices of the non-Federal entity;
- (viii) Support the distribution of the employee's salary or wages among specific activities or cost objectives if the employee works on more than one Federal award; a Federal award and non-Federal award; an indirect cost activity and a direct cost activity; two or more indirect activities which are allocated using different allocation bases; or an unallowable activity and a direct or indirect cost activity.

Control: Per 2 CFR section 200.303(a), a non-Federal entity must: Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should comply with guidance in "Standards for Internal Control in the Federal Government" issued by the Comptroller General of the United States or the "Internal Control Integrated Framework", issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Condition:

The Division did not have effective controls in place for monitoring and obtaining adequate support to validate actual payroll expenses charged to the federal program. Time and effort certifications were not obtained until more than ten months after fiscal year end.

**STATE OF DELAWARE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2021**

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

Context:

A delay in providing sufficient support for the payroll expenses was noted for forty of forty employees selected for testing.

Questioned costs:

None noted as the employees subsequently certified their time.

Cause:

Controls were not operating effectively to ensure that time and effort reporting was performed in a timely manner, in accordance with federal requirements.

Effect:

There is an increased risk of charging unallowed payroll costs to the program.

Recommendation:

The Division should reevaluate its current process, implement proper controls, and perform additional training over time and effort reporting. The Division should not seek federal reimbursement unless it can substantiate that the time and effort was dedicated to the federal program.

Views of responsible officials:

During the audit process, the Division of Public Health recognized the missing information and did not realize that our management of the grant was out of compliance with personnel time tracking and certification. The ELC Grant Managers track personnel funding via org charts, grant budget requests, wage workups, and manage all funding transfer notifications (FTNs) for budget positions (BPs) associated with ELC. However, the collection of certification forms as part of compliance was a process management had not yet implemented. We can now report that this has been overhauled and time and effort attestation and certification forms are being collected every 6 months if not sooner. ELC Grant Managers at DPH developed a new standard operating procedure (SOP), worked with DHSS DMS to be trained on the requirements and work towards a new internal standard, and have been able to collect time certifications for over 60 staff during the audit period and will retroactively collect time certifications from previous periods – over 100 staff members as part of the training and implementation process. We are pleased to have been able to start implementing the compliance requirements prior to audit completion.

**STATE OF DELAWARE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2021**

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

Reference Number: 2021-011
Prior Year Finding: No
Federal Agency: U.S. Department of Health and Human Services
State Department Name: Department of Health and Social Services
State Division Name: Division of Public Health
Federal Program: COVID-19 – Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)
Assistance Listing Number: 93.323
Award Number and Year: NU50CK000497 (8/1/2019 – 7/31/2024)
Compliance Requirement: Reporting
Type of Finding: Material Weakness in Internal Control Over Compliance, Material Noncompliance

Criteria or specific requirement:

Compliance: Non-federal entities are required to submit performance and progress reports on a quarterly basis, no later than 30 days after the end of each quarter, in accordance with the terms and conditions of the Federal award.

Control: Per 2 CFR section 200.303(a), a non-Federal entity must: Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should comply with guidance in “Standards for Internal Control in the Federal Government” issued by the Comptroller General of the United States or the “Internal Control Integrated Framework”, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Condition:

The Division was unable to provide support that quarterly performance and progress reports were filed timely.

Context:

Six of six quarterly performance reports selected for testing were not filed timely and three of five quarterly progress reports selected were not filed timely.

Questioned costs:

Undetermined.

Cause:

The Division’s controls were insufficient to ensure that performance and progress reports were filed timely.

Effect:

The Division was not in compliance with the program’s reporting requirements.

STATE OF DELAWARE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2021

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

Recommendation:

The Division should review and enhance internal controls and procedures to ensure that quarterly performance and progress reports are filed timely and that it maintains documentation supporting timely submission.

Views of responsible officials:

The Division is now saving all reports as PDF documents as they are submitted to the Federal Program via REDCap to timestamp the submission dates. DPH will continue returning these measures within a timely manner and now be able to provide that verification. In communications with the Federal Program, we verified that the Federal Program also records and retains submission dates and timestamps on these reports, which can serve as backup to the DPH process, in the rare event of system issues.

**STATE OF DELAWARE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2021**

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

Reference Number: 2021-012
Prior Year Finding: No
Federal Agency: U.S. Department of Health and Human Services
State Department Name: Department of Health and Social Services
State Division Name: Division of Public Health
Federal Program: COVID-19 – Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)
Assistance Listing Number: 93.323
Award Number and Year: NU50CK000497 (8/1/2019 – 7/31/2024)
Compliance Requirement: Equipment and Real Property Management
Type of Finding: Significant Deficiency in Internal Control Over Compliance, Other Matters

Criteria or specific requirement:

Compliance: A state must use, manage, and dispose of equipment acquired under a federal award in accordance with state laws and procedures (2 CFR section 200.313(b)). Per section 13.6 of the State of Delaware’s Asset Management Policy, State Organizations are required to conduct a physical property inventory each year. Inventory results are reconciled to the state’s property records, and any required adjustments to property records, as a result of the inventory, must be completed by the last working day of May. State Organizations are required to maintain documentation to illustrate the physical inventory was performed. Organizations are required to submit a certification verifying that such inventory has been conducted to the Director of Accounting no later than the last working day of May of each year.

Control: Per 2 CFR section 200.303(a), a non-Federal entity must: Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should comply with guidance in “Standards for Internal Control in the Federal Government” issued by the Comptroller General of the United States or the “Internal Control Integrated Framework”, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Condition:

The Division did not include items of equipment purchased with federal funds in their required physical inventory. As such, the ELC property records were inaccurate.

Context:

Two of eight equipment items tested were not included in the Division’s required physical inventory. The Division conducts a physical inventory at the end of each calendar year. In the physical inventory conducted at the end of calendar year 2020, the Division omitted the two items of laboratory equipment that had been purchased with federal funds.

Questioned costs:

None noted.

**STATE OF DELAWARE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2021**

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

Cause:

The Division's procedures and controls were not sufficient to prevent omission of items of equipment from the annual physical inventory.

Effect:

Failure to include items of equipment in the annual physical inventory could allow the misuse, loss, damage, or theft of federal property to go undetected.

Recommendation:

The Division should review and enhance internal controls and procedures to ensure that all equipment purchased with federal funds is properly recorded in the annual physical equipment inventory so that property records remain accurate.

Views of responsible officials:

The Division is implementing and will be receiving training on an Asset Inventory Management System which includes equipment management modules. This will further enhance our ability to maintain and track assets plus generate reports that accurately reflect equipment and property, which can be used for analysis, in addition to providing support for audits, reviews and other requests. This system has received annual grant funding and is a priority to maintain.

**STATE OF DELAWARE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2021**

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

Reference Number: 2021-013
Prior Year Finding: No
Federal Agency: U.S. Department of Health and Human Services
State Department Name: Department of Health and Social Services
State Division Name: Division of State Service Centers
Federal Program: Low-Income Home Energy Assistance, COVID-19 - Low-Income Home Energy Assistance
Assistance Listing Number: 93.568
Award Number and Year: 2001DELIEA (10/1/2019 – 12/31/2024), 2101DELIEA (10/1/2020 – 12/31/2025), 2001DEE5C3 (3/27/2020 – 12/29/2021)
Compliance Requirement: Reporting – Federal Funding Accountability and Transparency Act (FFATA)
Type of Finding: Material Weakness in Internal Control Over Compliance, Material Noncompliance

Criteria or specific requirement:

Compliance: Per the Federal Funding Accountability and Transparency Act (FFATA), prime (direct) recipients of grants or cooperative agreements are required to report first-tier subawards of \$30,000 or more to the Federal Funding Accountability and Transparency Act Subaward Reporting System (FSRS). Reports must be filed in FSRS by the end of the month following the month in which the prime recipient awards any sub-grant greater than or equal to \$30,000. If the initial award is below \$30,000 but subsequent grant modifications result in a total award equal to or over \$30,000, the award will be subject to the reporting requirements as of the date the award exceeds \$30,000. If the initial award equals or exceeds \$30,000 but funding is subsequently de-obligated such that the total award amount falls below \$30,000, the award continues to be subject to FFATA reporting requirements.

The following key data elements must be reported: Subawardee Name and Data Universal Numbering System (DUNS) number; Amount of Subaward (inclusive of modifications); Subaward Obligation/Action Date; Date of Report Submission; Subaward Number; Project Description; and Names and Compensation of Highly Compensated Officers. (Names and Compensation of Highly Compensated Officers must only be reported when the entity in the preceding fiscal year received 80 percent or more of its annual gross revenues in Federal awards; and \$30,000,000 or more in annual gross revenues from Federal awards; and the public does not have access to this information about the compensation of the senior executives of the entity through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. §§ 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986.)

Control: Per 2 CFR section 200.303(a), a non-Federal entity must: Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should comply with guidance in “Standards for Internal Control in the Federal Government” issued by the Comptroller General of the United States or the “Internal Control Integrated Framework”, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

**STATE OF DELAWARE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2021**

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

Condition:

The Division did not report required subaward information to FSRS for first-tier subawards of \$30,000 or more.

Context:

Zero of two subawards selected for testing were reported to FSRS. Total subawards tested were \$10,673,751, and \$0 was reported as required by FFATA requirements.

Transactions Tested	Subaward not reported	Report not timely	Subaward amount incorrect	Subaward missing key elements
2	2	0	0	0
Dollar Amount of Tested Transactions	Subaward not reported	Report not timely	Subaward amount incorrect	Subaward missing key elements
\$10,673,751	\$10,673,751	\$0	\$0	\$0

Cause:

The Division’s policies and procedures were not sufficient to ensure that required subaward information was reported to FSRS. Internal controls did not prevent or detect the errors.

Effect:

Subawards were not reported to FSRS in accordance with FFATA requirements.

Questioned costs:

None noted.

Recommendation:

We recommend that the Division develop internal controls and procedures to ensure that FFATA reporting requirements are met. We further recommend the Division develop controls and procedures to ensure that all required subawards are reported accurately and timely to FSRS.

Views of responsible officials:

The Division of State Service Centers (DSSC) has added an appendix to the subrecipient contract regarding FFATA reporting. DSSC will clearly identify the information required for FFATA reporting in the contract appendix. DSSC will require all sub-awardees during initial contract or renewal to provide all the necessary information for DSSC to complete and submit the FFATA reports. The DSSC fiscal unit will be responsible for submitting the FFATA report in FSRS.

**STATE OF DELAWARE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2021**

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

Reference Number: 2021-014
Prior Year Finding: No
Federal Agency: U.S. Department of Health and Human Services
State Department Name: Department of Health and Social Services
State Division Name: Division of Medicaid and Medical Assistance
Federal Program: Children’s Health Insurance Program (CHIP)
Assistance Listing Number: 93.767
Award Number and Year: 2105DE5021 (10/1/2020 – 9/30/2022)
Compliance Requirement: Period of Performance
Type of Finding: Significant Deficiency in Internal Control over Compliance, Other Matters

Criteria or specific requirement:

Compliance: A non-federal entity may charge only allowable costs incurred during the approved budget period of a federal award’s period of performance and any costs incurred before the federal awarding agency or pass-through entity made the federal award that were authorized by the federal awarding agency or pass-through entity (2 CFR sections 200.308 200.309 and 200.403(h)). A period of performance may contain one or more budget periods.

Control: Per 2 CFR Section 200.303(a), a non-Federal entity must: Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should comply with guidance in “Standards for Internal Control in the Federal Government” issued by the Comptroller General of the United States or the “Internal Control Integrated Framework”, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Condition:

Costs were incurred and charged to the federal grant prior to the allowable start of the period of performance.

Context:

Four out of fourteen transactions were charged before the allowable period of performance.

Questioned costs:

\$363 for transactions incurred and charged prior to the award’s allowable period of performance.

Cause:

The Division did not enhance their internal controls and procedures to ensure that expenditures charged to the program were incurred within the award’s period of performance.

Effect:

Costs could be deemed unallowable by the awarding agency if funds are expended outside of the allowable period of performance.

**STATE OF DELAWARE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2021**

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

Recommendation:

The Division should review and enhance internal controls and procedures to ensure that it charges expenditures to the program that are incurred within an award's allowable period of performance.

Views of responsible officials:

DMMA will review expenditures for the 2021 CHIP grant to ensure that all reported expenditures occurred during the period of performance. Prior period adjustments will be made to the CMS-21 report should any expenditures have occurred outside of the period of performance. Going forward DMMA will ensure that its quarterly grant reporting procedures include a review of expenditures and grant draws to ensure all dates fall within the allowed period of performance.

**STATE OF DELAWARE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2021**

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

Reference Number: 2021-015
Prior Year Finding: 2020-003
Federal Agency: U.S. Department of Health and Human Services
State Department Name: Department of Health and Social Services
State Division Name: Division of Medicaid and Medical Assistance
Federal Program: Medicaid Cluster, Children’s Health Insurance (CHIP)
Assistance Listing Number: 93.775, 93.777, 93.778, 93.767
Award Number and Year: 2105DE5MAP (10/1/2020 – 9/30/2021), 2005DE5MAP (10/1/2019 – 9/30/2020)
2005DE5021 (10/1/2019 – 9/30/2021); 2105DE5021 (10/1/2020 – 9/30/2022)
Compliance Requirement: Special Tests – Provider Eligibility
Type of Finding: Material Weakness in Internal Control over Compliance, Material Noncompliance

Criteria or specific requirement:

Compliance: In order to receive Medicaid payments, providers must: (1) be licensed in accordance with federal, state, and local laws and regulations to participate in the Medicaid program (42 CFR sections 431.107 and 447.10; and Section 1902(a)(9) of the Social Security Act (42 USC 1396a(a)(9)); (2) screened and enrolled in accordance with 42 CFR Part 455, Subpart E (sections 455.400 through 455.470); and make certain disclosures to the State (42 CFR part 455, subpart B, sections 455.100 through 455.106). Medicaid managed care network providers are subject to the same disclosure, screening, enrollment, and termination requirements that apply to Medicaid fee-for-service providers in accordance with 42 CFR Part 438, Subpart H. Providers who have been barred from participation by the OIG exclusion list are not eligible to be enrolled in the Medicaid program (42 CFR 455.436).

Control: Per 2 CFR section 200.303(a), a non-Federal entity must: Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should comply with guidance in “Standards for Internal Control in the Federal Government” issued by the Comptroller General of the United States or the “Internal Control Integrated Framework”, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Condition:

The Division is not in compliance with federal regulations relating to provider eligibility requirements for both new and revalidated providers.

**STATE OF DELAWARE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2021**

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

Context:

The following exceptions were noted during testing of provider eligibility requirements:

- For 47 of 60 providers, no documentation was available to support that the provider was properly licensed or screened and enrolled in accordance with federal requirements. A license was not provided or the license provided was expired. The provider was not properly screened and enrolled in accordance with 42 CFR Part 455, Subpart E; specifically, no agreements on file, applications outdated, or the provider was not revalidated within the last five years.
- For the same 47 of 60 providers, documentation was not available to support that the provider made all required disclosures to the State in accordance with 2 CFR Part 455, Subpart B.
- For 44 of 60 providers, no documentation was available to support that the Division ensured the provider was not on the OIG's exclusion list at the time services were provided.

Questioned costs:

Undetermined, based on lack of information, we were unable to determine if unallowed costs were incurred.

Cause:

The Division did not consistently follow procedures to determine and monitor provider eligibility.

Effect:

The Division was unable to support provider eligibility which may result in unallowed costs.

Recommendation:

The Division should reevaluate its current process and perform additional training for determining and monitoring provider eligibility. More thorough reviews and supervision should be placed around the provider eligibility processes.

Views of responsible officials:

The Division will reevaluate the current process for validating Non-Par provider eligibility and plans to provide additional training for determining and monitoring provider eligibility. In addition, there will be more detailed reviews and increased supervision for the provider eligibility processes.

**STATE OF DELAWARE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2021**

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

Reference Number: 2021-016
Prior Year Finding: No
Federal Agency: U.S. Department of Health and Human Services
State Department Name: Department of Health and Social Services
State Division Name: Division of Medicaid and Medical Assistance
Federal Program: Medicaid Cluster
Assistance Listing Number: 93.775, 93.777, 93.778
Award Number and Year: 2105DE5MAP (10/1/2020 – 9/30/2021), 2005DE5MAP (10/1/2019 – 9/30/2020)
Compliance Requirement: Special Tests – Managed Care Financial Audit
Type of Finding: Material Weakness in Internal Control Over Compliance, Material Noncompliance

Criteria or specific requirement:

Compliance: The state must periodically, but no less frequently than once every three years, conduct, or contract for an independent audit of the accuracy, truthfulness, and completeness of the encounter and financial data submitted by, or on behalf of each managed care organization (MCO) and post the results of these audits on its website (42 CFR section 438.602(e)).

Control: Per 2 CFR section 200.303(a), a non-Federal entity must: Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should comply with guidance in “Standards for Internal Control in the Federal Government” issued by the Comptroller General of the United States or the “Internal Control Integrated Framework”, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Condition:

The Division did not conduct or contract for independent audits of its managed care providers within the last three years and as such, results were not posted to their website.

Context:

For the two managed care providers within the state, the Division did not conduct or contract for the independent audits.

Questioned costs:

None noted.

Cause:

The Division does not have sufficient procedures in place to ensure that independent audits are conducted for its managed care providers at least once every three years.

**STATE OF DELAWARE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2021**

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

Effect:

The Division is unable to verify the accuracy, truthfulness, and completeness of the encounter and financial data submitted by, or on behalf of, each MCO as required by the program.

Recommendation:

The Division should implement procedures to ensure that it conducts or contracts for independent audits of its managed care providers at least once every three years and posts the results of those audits to their website.

Views of responsible officials:

The Division will evaluate our current procedures to determine how to best to meet the compliance requirements. The Division will establish and implement new procedures based on the results of the evaluation, if needed. Going forward the Division will ensure the required independent financial audits of the MCO's are conducted every year and that the results are posted to the Division website as required by the federal compliance guidelines.

**STATE OF DELAWARE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2021**

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

Reference Number: 2021-017
Prior Year Finding: 2020-004
Federal Agency: U.S. Department of Health and Human Services
State Department Name: Department of Health and Social Services
State Division Name: Division of Medicaid and Medical Assistance
Federal Program: Medicaid Cluster
Assistance Listing Number: 93.775, 93.777, 93.778
Award Number and Year: 2105DE5MAP (10/1/2020 – 9/30/2021), 2005DE5MAP (10/1/2019 – 9/30/2020)
Compliance Requirement: Special Tests – Provider Health and Safety Standards
Type of Finding: Significant Deficiency in Internal Control over Compliance, Other Matters

Criteria or specific requirement:

Compliance: In order to receive Medicaid payments, hospitals, nursing facilities and ICF/IID providers must meet the prescribed health and safety standards in accordance with 42 CFR part 442. The standards may be modified in the State Plan.

Control: Per 2 CFR section 200.303(a), a non-Federal entity must: Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should comply with guidance in “Standards for Internal Control in the Federal Government” issued by the Comptroller General of the United States or the “Internal Control Integrated Framework”, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Condition:

The Division is not in compliance with federal regulations relating to provider health and safety standards.

Context:

For four of sixty providers, no documentation was provided to support the provider meeting health and safety standards.

Questioned costs:

Undetermined, based on lack of information, we were unable to determine if unallowed costs were incurred.

Cause:

The Division did not consistently follow procedures to ensure that required providers met the prescribed health and safety standards.

**STATE OF DELAWARE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2021**

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

Effect:

The Division was unable to support providers' compliance with health and safety standards which may result in unallowed costs.

Recommendation:

The Division should enhance its procedures and controls over monitoring provider health and safety standards to ensure that Medicaid services are provided in facilities that meet all requirements. Supporting documentation should be properly maintained and reviews should be performed by the Division in a timely manner.

Views of responsible officials:

The Division will make a priority evaluating ways to improve its procedures and controls over monitoring provider health and safety standards to ensure that Medicaid services are provided in facilities that meet all requirements. DMMA is working to improve the process to complete reviews more timely, in addition to compiling and retaining the related supporting documentation.

**STATE OF DELAWARE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2021**

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

Reference Number: 2021-018
Prior Year Finding: 2020-006
Federal Agency: U.S. Department of Health and Human Services
State Department Name: Department of Health and Social Services
State Division Name: Division of Substance Abuse and Mental Health
Federal Program: Opioid STR, COVID-19 - Opioid STR
Assistance Listing Number: 93.788
Award Number and Year: H79TI081735 (9/30/2018 – 9/29/2020), H79TI083305 (9/30/2020 – 9/29/2022)
Compliance Requirement: Subrecipient Monitoring
Type of Finding: Material Weakness in Internal Control Over Compliance, Material Noncompliance

Criteria or specific requirement:

Compliance: 2 CFR §200.332 - Requirements for Pass-Through Entities states, in part, that all pass-through entities must:

- (c) Ensure that every subaward is clearly identified to the subrecipient as a subaward and includes information at the time of the subaward and if any of these data elements change, include the changes in subsequent subaward modification. When some of this information is not available, the pass-through entity must provide the best information available to describe the Federal award and subaward. Required information includes:
 - (1)(iii) Federal Award Identification Number (FAIN);
- (d) Evaluate each subrecipient's risk of noncompliance with Federal statutes, regulations, and the terms and conditions of the subaward for purposes of determining the appropriate subrecipient monitoring described in paragraphs (d) and (e) of this section, which may include consideration of such factors as:
 - (5) The subrecipient's prior experience with the same or similar subawards;
 - (6) The results of previous audits including whether or not the subrecipient receives a Single Audit in accordance with Subpart F - Audit Requirements of this part, and the extent to which the same or similar subaward has been audited as a major program;
 - (7) Whether the subrecipient has new personnel or new or substantially changed systems;
 - (8) The extent and results of Federal awarding agency monitoring (e.g., if the subrecipient also receives Federal awards directly from a Federal awarding agency).
- (e) Monitor the activities of the subrecipient as necessary to ensure that the subaward is used for authorized purposes, in compliance with Federal statutes, regulations, and the terms and conditions of the subaward; and that subaward performance goals are achieved. Pass-through entity monitoring of the subrecipient must include:
 - (1) Reviewing financial and performance reports required by the pass-through entity.
 - (2) Following-up and ensuring that the subrecipient takes timely and appropriate action on all deficiencies pertaining to the Federal award provided to the subrecipient from the pass-through entity detected through audits, on-site reviews, and other means.
 - (3) Issuing a management decision for audit findings pertaining to the Federal award provided to the subrecipient from the pass-through entity as required by § 200.521 Management decision.

STATE OF DELAWARE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2021

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

- (e) Depending upon the pass-through entity's assessment of risk posed by the subrecipient (as described in paragraph (b) of this section), the following monitoring tools may be useful for the pass-through entity to ensure proper accountability and compliance with program requirements and achievement of performance goals:
- (1) Providing subrecipients with training and technical assistance on program-related matters; and
 - (2) Performing on-site reviews of the subrecipient's program operations;
 - (3) Arranging for agreed-upon-procedures engagements as described in § 200.425 Audit services.
- (f) Verify that every subrecipient is audited as required by Subpart F - Audit Requirements of this part when it is expected that the subrecipient's Federal awards expended during the respective fiscal year equaled or exceeded the threshold set forth in § 200.501 Audit requirements.

Control: Per 2 CFR Section 200.303(a), a non-Federal entity must: Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should comply with guidance in "Standards for Internal Control in the Federal Government" issued by the Comptroller General of the United States or the "Internal Control Integrated Framework", issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Condition:

The Division did not furnish all required information to its subrecipients at the time of issuance of the subawards. Further, the Division was not able to provide support that it monitored all subrecipients nor that it ensured its subrecipients were audited as required by 2 CFR Part 200 Subpart F – Audit Requirements (Subpart F).

Context:

Exceptions were noted in five of five subrecipients selected for testing:

- For two of five subrecipients, the FAIN was not provided to the subrecipient at the time of award issuance.
- For two of five subrecipients, the Division was unable to provide support that it conducted during the award monitoring as required by the Division's policies and procedures.
- For three of five subrecipients, the Division was unable to provide support that it ensured the subrecipients were audited as required by Subpart F. The Division could not produce evidence of verification that the subrecipient's Federal awards expended during the fiscal year were below the threshold set forth in § 200.501 Audit requirements.

Questioned costs:

Undetermined.

Cause:

The Division did not establish effective internal controls and procedures over subrecipient monitoring.

**STATE OF DELAWARE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2021**

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

Effect:

Excluding the required federal grant award information at the time of the subaward may cause subrecipients and their auditors to be uninformed about specific program and other regulations that apply to the funds they receive. There is also the potential for subrecipients to have incomplete Schedules of Expenditures of Federal Awards (SEFA) in their Single Audit reports, and federal funds may not be properly audited at the subrecipient level in accordance with the Uniform Guidance.

Not conducting during the award monitoring may result in a failure of the Division to detect that its subrecipients used subawards for unauthorized purposes, managed them in violation of the terms and conditions of the subawards, or that subaward performance goals were not achieved.

Without ensuring subrecipients have obtained audits as required by Subpart F, there is an increased risk that subrecipients could be inappropriately spending and/or inaccurately tracking and reporting federal funds over multiple year periods, and these discrepancies may not be properly monitored, detected, and corrected by Division personnel on a timely basis.

Recommendation:

The Division should review and enhance internal controls and procedures to ensure that all required information is included in all subawards, that proper subrecipient monitoring is conducted, and that evaluation of independent audits is performed.

Views of responsible officials:

The Division is updating its policies and procedures to ensure internal controls are in place to ensure that all required information is included in all subawards. Additionally, staff has been identified to ensure that proper subrecipient monitoring occurs and that a complete review of all subrecipient documents, including independent audits, is performed.

STATE OF DELAWARE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2021

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

Reference Number: 2021-019
Prior Year Finding: 2020-007
Federal Agency: U.S. Department of Health and Human Services
State Department Name: Department of Health and Social Services
State Division Name: Division of Substance Abuse and Mental Health
Federal Program: Opioid STR, COVID-19 - Opioid STR
Assistance Listing Number: 93.788
Award Number and Year: H79TI081735 (9/30/2018 – 9/29/2020), H79TI083305 (9/30/2020 – 9/29/2022)
Compliance Requirement: Procurement
Type of Finding: Material Weakness in Internal Control Over Compliance, Material Noncompliance

Criteria or specific requirement:

Compliance: Per 2 CFR section 200.317 Procurements by states, when procuring property and services under a Federal award, a state must follow the same policies and procedures it uses for procurements from its non-Federal funds.

Per 29 Del C. Chapter 69, section 6981 Large professional service procurement process:

- (a) Any state contract for which an agency is a party with probable fees, including reimbursable expenses and amendments, greater than the threshold amount or amounts established by the Contracting and Purchasing Advisory Council pursuant to § 6913 of this title for the completed job will be subject to the provisions of this subchapter.
- (b) Each agency shall publicly announce, not less than once a week for two consecutive weeks in a newspaper published or circulated in each county of the State, when professional services are required
- (c) Each agency shall publicly announce each professional services contract subject to subsection (a) of this section by electronic publication accessible to the public in a manner prescribed pursuant to § 6902(9) of this title for two consecutive weeks.
- (d) Such announcement shall include:
 - (1) The project identification;
 - (2) General description and scope of the project;
 - (3) Location;
 - (4) Deadline for submission of brief letters of interest;
 - (5) Criteria for selection of professionals including any special criteria required for any particular project;
 - (6) Indication of how interested professionals can apply for consideration;
 - (7) The agency's intention to award to more than one firm, if applicable; and
 - (8) A description of the selection process to be used, as defined in § 6982 of this title.
- (f) Each agency shall establish written administrative procedures for the evaluation of applicants. These administrative procedures shall be adopted and made available to the public by each agency before publicly announcing an occasion when professional services are required. One or more of the following criteria may be utilized in ranking the applicants under consideration:
 - (1) Experience and reputation;
 - (2) Expertise (for the particular project under consideration);
 - (3) Capacity to meet requirements (size, financial condition, etc.);
 - (4) Location (geographical);

STATE OF DELAWARE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2021

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

- (5) Demonstrated ability;
- (6) Familiarity with public work and its requirements; or
- (7) Distribution of work to individuals and firms or economic considerations.
- (g) In addition to the above, other criteria necessary for a quality, cost-effective project may be utilized.
- (h) Each project shall be given individual attention, and a weighted average may be applied to criteria according to its importance to each project.
- (i) For the selection process described in § 6982(b) of this title, price may be a criteria used to rank applicants under consideration.

Per 29 Del C. Chapter 69, section 6982 Selection:

- (b) Agencies shall use the selection process described in paragraphs (b)(1) through (3) of this section.
 - (1) Based upon the criteria established pursuant to § 6981(f) of this title, the agency shall determine all applicants that meet the minimum qualifications to perform the required services.
 - (2) The agency shall then interview at least one of the qualified firms. The agency may negotiate with one firm without terminating negotiations with another firm and may negotiate with one or more firms during the same period. At any point in the negotiation process, the agency may, at its discretion, terminate negotiations with any or all firms.
 - (3) The agency may require the firm with whom the agency is negotiating to execute a truth-in-negotiation certificate stating the wage rates and other factual unit costs supporting the compensation are accurate, complete and current at the time of contracting. All professional service contracts shall provide that the original contract price and any additions thereto shall be adjusted to exclude significant sums where the agency determines the contract price was increased due to inaccurate, incomplete or noncurrent wage rates and other factual unit costs. All such contract adjustments shall be made within one year following the end of the contract.

Sole source procurement shall be avoided, except when no reasonable alternative sources exist. A written determination by the agency for the sole source procurement shall be included in the agency's contract file. (29 Del. C. §6904(i))

Control: Per 2 CFR Section 200.303(a), a non-Federal entity must: Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should comply with guidance in “Standards for Internal Control in the Federal Government” issued by the Comptroller General of the United States or the “Internal Control Integrated Framework”, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Condition:

The Division was unable to provide documentation to support compliance with the required state procurement processes for professional services contracts.

Context:

Five of eight procurement contracts tested did not comply with numerous components of the state's procurement policy:

- No information was provided for one contract. The Division was unable to verify how the contract was procured.
- One contract was procured from a cooperative purchasing agreement that was not approved by the Office of Management and Budget's Government Support Services as required.

**STATE OF DELAWARE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2021**

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

- Procurement documentation for one contract did not relate to the payments made during the audit period.
- One contract was procured under a noncompetitive method (single source) but there was no adequate documentation or justification for utilization of that method.
- For five contracts, documentation was not provided that a cost analysis was performed.

Questioned costs:

Undetermined.

Cause:

The Division's internal controls were not sufficient to ensure that statewide procurement policies were followed for all purchases made for the program.

Effect:

The Division is not compliant with federal and state procurement requirements. Failure to adhere to procurement policies and procedures may result in obtaining goods or services under terms that are not in the best interest of the federal program and/or the state.

Recommendation:

The Division should review and enhance controls and procedures to ensure that it follows the state's procurement policy for all goods and services charged to the program.

Views of responsible officials:

The Division intends to review current procedures and ensure staff understand the state's procurement requirements. Additionally, the Department is consolidating our Contracting and Procurement functions to provide a more uniform approach and consistent compliance with Procurement guidelines.

**STATE OF DELAWARE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2021**

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

Reference Number: 2021-020
Prior Year Finding: No
Federal Agency: U.S. Department of Health and Human Services
State Department Name: Department of Health and Social Services
State Division Name: Division of Substance Abuse and Mental Health
Federal Program: Opioid STR, COVID-19 - Opioid STR
Assistance Listing Number: 93.788
Award Number and Year: H79TI081735 (9/30/2018 – 9/29/2020), H79TI083305 (9/30/2020 – 9/29/2022)
Compliance Requirement: Reporting – Federal Funding Accountability and Transparency Act (FFATA)
Type of Finding: Material Weakness in Internal Control Over Compliance, Material Noncompliance

Criteria or specific requirement:

Compliance: Per the Federal Funding Accountability and Transparency Act (FFATA), prime (direct) recipients of grants or cooperative agreements are required to report first-tier subawards of \$30,000 or more to the Federal Funding Accountability and Transparency Act Subaward Reporting System (FSRS). Reports must be filed in FSRS by the end of the month following the month in which the prime recipient awards any sub-grant greater than or equal to \$30,000. If the initial award is below \$30,000 but subsequent grant modifications result in a total award equal to or over \$30,000, the award will be subject to the reporting requirements as of the date the award exceeds \$30,000. If the initial award equals or exceeds \$30,000 but funding is subsequently de-obligated such that the total award amount falls below \$30,000, the award continues to be subject to FFATA reporting requirements.

The following key data elements must be reported: Subawardee Name and Data Universal Numbering System (DUNS) number; Amount of Subaward (inclusive of modifications); Subaward Obligation/Action Date; Date of Report Submission; Subaward Number; Project Description; and Names and Compensation of Highly Compensated Officers. (Names and Compensation of Highly Compensated Officers must only be reported when the entity in the preceding fiscal year received 80 percent or more of its annual gross revenues in Federal awards; and \$30,000,000 or more in annual gross revenues from Federal awards; and the public does not have access to this information about the compensation of the senior executives of the entity through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. §§ 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986.)

Control: Per 2 CFR section 200.303(a), a non-Federal entity must: Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should comply with guidance in “Standards for Internal Control in the Federal Government” issued by the Comptroller General of the United States or the “Internal Control Integrated Framework”, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

**STATE OF DELAWARE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2021**

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

Condition:

The Division did not report required subaward information to FSRS for first-tier subawards of \$30,000 or more.

Context:

Zero of five subawards selected for testing were not reported to FSRS. Total subawards tested were \$6,314,455, and \$0 was reported as required by FFATA requirements.

Transactions Tested	Subaward not reported	Report not timely	Subaward amount incorrect	Subaward missing key elements
5	5	0	0	0
Dollar Amount of Tested Transactions	Subaward not reported	Report not timely	Subaward amount incorrect	Subaward missing key elements
\$6,314,455	\$6,314,455	\$0	\$0	\$0

Cause:

The Division’s policies and procedures were not sufficient to ensure that required subaward information was reported to FSRS. Internal controls did not prevent or detect the errors.

Effect:

Subawards were not reported to FSRS in accordance with FFATA requirements.

Questioned costs:

None noted.

Recommendation:

We recommend that the Division develop internal controls and procedures to ensure that FFATA reporting requirements are met. We further recommend the Division develop controls and procedures to ensure that all required subawards are reported accurately and timely to FSRS.

Views of responsible officials:

The Division is reviewing current subawards to ensure all proper information is outlined to successfully meet FFATA reporting requirements. Division fiscal staff will ensure accurate and timely entry of subaward date to FSRS.

**STATE OF DELAWARE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2021**

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

Reference Number: 2021-021
Prior Year Finding: No
Federal Agency: U.S. Department of Health and Human Services
State Department Name: Department of Health and Social Services
State Division Name: Division of Substance Abuse and Mental Health
Federal Program: Opioid STR, COVID-19 - Opioid STR
Assistance Listing Number: 93.788
Award Number and Year: H79TI081735 (9/30/2018 – 9/29/2020), H79TI083305 (9/30/2020 – 9/29/2022)
Compliance Requirement: Allowable Cost/Cost Principles – Time and Effort Reporting
Type of Finding: Significant Deficiency in Internal Control Over Compliance, Other Matters

Criteria or specific requirement:

Compliance: 2 CFR Section 200.430 (8)(i) Standards for Documentation of Personnel Expenses states that: Charges to Federal awards for salaries and wages must be based on records that accurately reflect the work performed. These records must:

- (xi) Be supported by a system of internal control which provides reasonable assurance that the charges are accurate, allowable, and properly allocated;
- (xii) Be incorporated into the official records of the non-Federal entity;
- (xiii) Reasonably reflect the total activity for which the employee is compensated by the non-Federal entity, not exceeding 100% of compensated activities;
- (xiv) Encompass both federally assisted and all other activities compensated by the non-Federal entity on an integrated basis, but may include the use of subsidiary records as defined in the non-Federal entity's written policy;
- (xv) Comply with the established accounting policies and practices of the non-Federal entity;
- (ix) Support the distribution of the employee's salary or wages among specific activities or cost objectives if the employee works on more than one Federal award; a Federal award and non-Federal award; an indirect cost activity and a direct cost activity; two or more indirect activities which are allocated using different allocation bases; or an unallowable activity and a direct or indirect cost activity.

Control: Per 2 CFR Section 200.303(a), a non-Federal entity must: Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should comply with guidance in "Standards for Internal Control in the Federal Government" issued by the Comptroller General of the United States or the "Internal Control Integrated Framework", issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

**STATE OF DELAWARE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2021**

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

Condition:

Time and effort certifications were not documented in accordance with federal requirements. The Division was unable to provide adequate support to validate actual payroll expenses charged to the federal program.

Context:

Eight of eight time and effort certifications were not documented in accordance with federal requirements.

Questioned costs:

\$32,019 for unsupported wages charged to the federal program.

Cause:

Controls were not operating effectively to ensure that time and effort reporting was performed in accordance with federal requirements.

Effect:

There is an increased risk of charging unallowed payroll costs to the program.

Recommendation:

The Division should reevaluate its current process, implement proper controls, and perform additional training over time and effort reporting. The Division should not seek federal reimbursement unless it can substantiate that the time and effort was dedicated to the federal program.

Views of responsible officials:

The Division will perform staff training over time and effort reporting to ensure that federal reimbursement requests can substantiate that the time and effort was dedicated to the federal program.

**STATE OF DELAWARE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2021**

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

Reference Number: 2021-022
Prior Year Finding: No
Federal Agency: U.S. Department of Health and Human Services
State Department Name: Department of Health and Social Services
State Division Name: Division of Substance Abuse and Mental Health
Federal Program: Opioid STR, COVID-19 - Opioid STR
Assistance Listing Number: 93.788
Award Number and Year: H79TI081735 (9/30/2018 – 9/29/2020), H79TI083305 (9/30/2020 – 9/29/2022)
Compliance Requirement: Period of Performance
Type of Finding: Significant Deficiency in Internal Control over Compliance; Other Matters

Criteria or specific requirement:

Compliance: A non-federal entity may charge only allowable costs incurred during the approved budget period of a federal award's period of performance and any costs incurred before the federal awarding agency or pass-through entity made the federal award that were authorized by the federal awarding agency or pass-through entity (2 CFR sections 200.308 200.309 and 200.403(h)). A period of performance may contain one or more budget periods.

Control: Per 2 CFR Section 200.303(a), a non-Federal entity must: Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should comply with guidance in "Standards for Internal Control in the Federal Government" issued by the Comptroller General of the United States or the "Internal Control Integrated Framework", issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Condition:

Costs were incurred and charged to the federal grant prior to the allowable start of the period of performance.

Context:

Four out of five transactions were charged before the allowable period of performance.

Questioned costs:

\$66,437 for transactions incurred and charged prior to the award's allowable period of performance.

Cause:

The Division did not enhance their internal controls and procedures to ensure that expenditures charged to the program were incurred within the award's period of performance.

**STATE OF DELAWARE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2021**

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

Effect:

Costs could be deemed unallowable by the awarding agency if funds are expended outside of the allowable period of performance.

Recommendation:

The Division should review and enhance internal controls and procedures to ensure that it charges expenditures to the program that are incurred within an award's allowable period of performance.

Views of responsible officials:

The Department is supporting the Division in training fiscal staff to better understand the requirements of spending federal money. Specific training materials outlining period of performance requirements have been developed and are being presented and distributed to fiscal staff.

**STATE OF DELAWARE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2021**

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

Reference Number: 2021-023
Prior Year Finding: 2020-008
Federal Agency: U.S. Department of Health and Human Services
State Department Name: Department of Health and Social Services
State Division Name: Division of Substance Abuse and Mental Health
Federal Program: Opioid STR, COVID-19 - Opioid STR
Assistance Listing Number: 93.788
Award Number and Year: H79TI081735 (9/30/2018 – 9/29/2020), H79TI083305 (9/30/2020 – 9/29/2022)
Compliance Requirement: Suspension and Debarment
Type of Finding: Significant Deficiency in Internal Control Over Compliance, Other Matters

Criteria or specific requirement:

Compliance: 2 CFR 200.213 Suspension and Debarment restricts awards, subawards, and contracts with certain parties that are debarred, suspended, or otherwise excluded from or ineligible for participation in Federal assistance programs or activities.

2 CFR 180.300 states that an entity may determine suspension and debarment status by:

- (a) Checking SAM (System for Award Management) Exclusions; or
- (b) Collecting a certification from that person; or
- (c) Adding a clause or condition to the covered transaction with that person (7) Distribution of work to individuals and firms or economic considerations.

Control: Per 2 CFR Section 200.303(a), a non-Federal entity must: Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should comply with guidance in “Standards for Internal Control in the Federal Government” issued by the Comptroller General of the United States or the “Internal Control Integrated Framework”, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Condition:

The Division did not determine the suspension and debarment status on vendors with expenditures exceeding \$25,000 as required by federal regulations.

Context:

The suspension and debarment status for three out of eight vendors was not documented.

Questioned costs:

There are no questioned costs related to this finding as the vendors were not federally suspended or debarred.

**STATE OF DELAWARE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2021**

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

Cause:

The Division did not establish effective internal controls over suspension and debarment transactions

Effect:

The Division is not in compliance with federal suspension and debarment regulations.

Recommendation:

The Division should ensure policies and procedures reiterate the three options for determining suspension and debarment status listed in 2 CFR 180.300.

Views of responsible officials:

The Policy and Procedure was updated by the contracts unit on 9/26/2022. Please see the language that was added below.

- a) Checking SAM (System for Award Management) Exclusions; or
- b) Collecting a certification from that vendor; or
- c) Adding a clause or condition to the covered transaction with that vendor

**STATE OF DELAWARE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2021**

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

Reference Number: 2021-024
Prior Year Finding: 2020-005
Federal Agency: U.S. Department of Health and Human Services
State Department Name: Department of Health and Social Services
State Division Name: Division of Substance Abuse and Mental Health
Federal Program: Block Grants for Prevention and Treatment of Substance Abuse
Assistance Listing Number: 93.959
Award Number and Year: B08TI010009 (10/1/2018 – 9/30/2020), B08TI083060 (10/1/2019 – 9/30/2021), B08TI083488 (10/1/2020 – 9/30/2022)
Compliance Requirement: Subrecipient Monitoring
Type of Finding: Material Weakness in Internal Control Over Compliance, Material Noncompliance

Criteria or specific requirement:

Compliance: 2 CFR §200.332 - Requirements for Pass-Through Entities states in part, that all pass-through entities must:

- (a) Ensure that every subaward is clearly identified to the subrecipient as a subaward and includes information at the time of the subaward and if any of these data elements change, include the changes in subsequent subaward modification. When some of this information is not available, the pass-through entity must provide the best information available to describe the Federal award and subaward.
- (b) Evaluate each subrecipient's risk of noncompliance with Federal statutes, regulations, and the terms and conditions of the subaward for purposes of determining the appropriate subrecipient monitoring described in paragraphs (d) and (e) of this section, which may include consideration of such factors as:
 - (1) The subrecipient's prior experience with the same or similar subawards;
 - (2) The results of previous audits including whether or not the subrecipient receives a Single Audit in accordance with Subpart F - Audit Requirements of this part, and the extent to which the same or similar subaward has been audited as a major program;
 - (3) Whether the subrecipient has new personnel or new or substantially changed systems;
 - (4) The extent and results of Federal awarding agency monitoring (e.g., if the subrecipient also receives Federal awards directly from a Federal awarding agency).
- (d) Monitor the activities of the subrecipient as necessary to ensure that the subaward is used for authorized purposes, in compliance with Federal statutes, regulations, and the terms and conditions of the subaward; and that subaward performance goals are achieved. Pass-through entity monitoring of the subrecipient must include:
 - (1) Reviewing financial and performance reports required by the pass-through entity.
 - (2) Following-up and ensuring that the subrecipient takes timely and appropriate action on all deficiencies pertaining to the Federal award provided to the subrecipient from the pass-through entity detected through audits, on-site reviews, and other means.
 - (3) Issuing a management decision for audit findings pertaining to the Federal award provided to the subrecipient from the pass-through entity as required by § 200.521 Management decision.

STATE OF DELAWARE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2021

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

- (e) Depending upon the pass-through entity's assessment of risk posed by the subrecipient (as described in paragraph (b) of this section), the following monitoring tools may be useful for the pass-through entity to ensure proper accountability and compliance with program requirements and achievement of performance goals:
- (1) Providing subrecipients with training and technical assistance on program-related matters; and
 - (2) Performing on-site reviews of the subrecipient's program operations;
 - (3) Arranging for agreed-upon-procedures engagements as described in § 200.425 Audit services.
- (f) Verify that every subrecipient is audited as required by Subpart F - Audit Requirements of this part when it is expected that the subrecipient's Federal awards expended during the respective fiscal year equaled or exceeded the threshold set forth in § 200.501 Audit requirements.

Control: Per 2 CFR Section 200.303(a), a non-Federal entity must: Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should comply with guidance in "Standards for Internal Control in the Federal Government" issued by the Comptroller General of the United States or the "Internal Control Integrated Framework", issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Condition:

The Division was not able to provide supporting documentation that it furnished required information to its subrecipients at the time of subaward, monitored its subrecipients, or ensured its subrecipients were audited as required by 2 CFR Part 200 Subpart F – Audit Requirements (Subpart F).

Context:

Exceptions were noted in three of five subrecipients selected for testing (exceptions listed include multiple exceptions for some subrecipients):

- For one of five subrecipients, the Division was unable to provide any documentation for the subrecipient. Compliance with 2 CFR §200.332 requirements could not be verified.
- For two of five subrecipients, the Division was unable to provide support that it ensured the subrecipients were audited as required by Subpart F. The Division could not produce evidence of verification that the subrecipient's Federal awards expended during the fiscal year were below the threshold set forth in § 200.501 Audit requirements
- For one of five subrecipients, the Division was unable to provide support that it conducted during the award monitoring as required by the Division's policies and procedures.

Questioned costs:

Undetermined.

Cause:

The Division did not establish effective internal controls and procedures over subrecipient monitoring.

**STATE OF DELAWARE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2021**

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

Effect:

Excluding the required federal grant award information at the time of the subaward may cause subrecipients and their auditors to be uninformed about specific program and other regulations that apply to the funds they receive. There is also the potential for subrecipients to have incomplete Schedules of Expenditures of Federal Awards (SEFA) in their Single Audit reports, and federal funds may not be properly audited at the subrecipient level in accordance with the Uniform Guidance.

Not conducting during the award monitoring may result in a failure of the Division to detect that its subrecipients used subawards for unauthorized purposes, managed them in violation of the terms and conditions of the subawards, or that subaward performance goals were not achieved.

Without ensuring subrecipients have obtained audits as required by Subpart F, there is an increased risk that subrecipients could be inappropriately spending and/or inaccurately tracking and reporting federal funds over multiple year periods, and these discrepancies may not be properly monitored, detected, and corrected by Division personnel on a timely basis.

Recommendation:

The Division should review and enhance internal controls and procedures to ensure that all required information is included in all subawards and provided to the subrecipients, that proper subrecipient monitoring is conducted, and that evaluation of independent audits is performed.

Views of responsible officials:

The Division is updating its policies and procedures to ensure internal controls are in place to ensure that all required information is included in all subawards. Additionally, staff has been identified to ensure that proper subrecipient monitoring occurs and that a complete review of all subrecipient documents, including independent audits, is performed.

**STATE OF DELAWARE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2021**

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

Reference Number: 2021-025
Prior Year Finding: No
Federal Agency: U.S. Department of Health and Human Services
State Department Name: Department of Health and Social Services
State Division Name: Division of Substance Abuse and Mental Health
Federal Program: Block Grants for Prevention and Treatment of Substance Abuse
Assistance Listing Number: 93.959
Award Number and Year: B08TI010009 (10/1/2018 – 9/30/2020), B08TI083060 (10/1/2019 – 9/30/2021), B08TI083488 (10/1/2020 – 9/30/2022)
Compliance Requirement: Allowable Cost/Cost Principles – Time and Effort Reporting
Type of Finding: Significant Deficiency in Internal Control Over Compliance

Criteria or specific requirement:

Compliance: 2 CFR Section 200.430 (8)(i) Standards for Documentation of Personnel Expenses states that: Charges to Federal awards for salaries and wages must be based on records that accurately reflect the work performed. These records must:

- (xvi) Be supported by a system of internal control which provides reasonable assurance that the charges are accurate, allowable, and properly allocated;
- (xvii) Be incorporated into the official records of the non-Federal entity;
- (xviii) Reasonably reflect the total activity for which the employee is compensated by the non-Federal entity, not exceeding 100% of compensated activities;
- (xix) Encompass both federally assisted and all other activities compensated by the non-Federal entity on an integrated basis, but may include the use of subsidiary records as defined in the non-Federal entity's written policy;
- (xx) Comply with the established accounting policies and practices of the non-Federal entity;
- (x) Support the distribution of the employee's salary or wages among specific activities or cost objectives if the employee works on more than one Federal award; a Federal award and non-Federal award; an indirect cost activity and a direct cost activity; two or more indirect activities which are allocated using different allocation bases; or an unallowable activity and a direct or indirect cost activity.

Control: Per 2 CFR Section 200.303(a), a non-Federal entity must: Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should comply with guidance in "Standards for Internal Control in the Federal Government" issued by the Comptroller General of the United States or the "Internal Control Integrated Framework", issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Condition:

The Division did not have effective controls in place for monitoring and obtaining adequate support to validate actual payroll expenses charged to the federal program. Time and effort certifications were not obtained until more than ten months after fiscal year end.

**STATE OF DELAWARE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2021**

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

Context:

A delay in providing sufficient support for the payroll expenses was noted for five of seven employees selected for testing.

Questioned costs:

None noted as the employees subsequently certified their time.

Cause:

Controls were not operating effectively to ensure that time and effort reporting was performed in a timely manner, in accordance with federal requirements.

Effect:

There is an increased risk of charging unallowed payroll costs to the program.

Recommendation:

The Division should reevaluate its current process, implement proper controls, and perform additional training over time and effort reporting. The Division should not seek federal reimbursement unless it can substantiate that the time and effort was dedicated to the federal program.

Views of responsible officials:

The Division will perform staff training over time and effort reporting to ensure that federal reimbursement requests can substantiate that the time and effort was dedicated to the federal program.

**STATE OF DELAWARE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2021**

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

Reference Number: 2021-026
Prior Year Finding: No
Federal Agency: U.S. Department of Health and Human Services
State Department Name: Department of Health and Social Services
State Division Name: Division of Substance Abuse and Mental Health
Federal Program: Block Grants for Prevention and Treatment of Substance Abuse
Assistance Listing Number: 93.959
Award Number and Year: B08TI083488 (10/1/2020 – 9/30/2022)
Compliance Requirement: Period of Performance and Allowable Costs/Cost Principles
Type of Finding: Significant Deficiency in Internal Control over Compliance, Other Matters

Criteria or specific requirement:

Compliance: Period of Performance - A non-federal entity may charge only allowable costs incurred during the approved budget period of a federal award's period of performance and any costs incurred before the federal awarding agency or pass-through entity made the federal award that were authorized by the federal awarding agency or pass-through entity (2 CFR sections 200.308 200.309 and 200.403(h)). A period of performance may contain one or more budget periods.

Allowable Costs/Cost Principles - Except where otherwise authorized by statute, cost must meet the following general criteria in order to be allowable under federal awards:

1. Be necessary and reasonable for the performance of the federal award and be allocable thereto under the principles in 2 CFR Part 200, Subpart E.
2. Conform to any limitations or exclusions set forth in 2 CFR Part 200, Subpart E or in the federal award as to types or amount of cost items.
3. Be consistent with policies and procedures that apply uniformly to both federally financed and other activities of the non-federal entity.
4. Be accorded consistent treatment. A cost may not be assigned to a federal award as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated to the federal award as an indirect cost.
5. Be determined in accordance with generally accepted accounting principles (GAAP), except for state and local governments and Indian tribes only as otherwise provided for in 2 CFR Part 200.
6. Not be included as a cost or used to meet cost-sharing or matching requirements of any other federally financed program in either the current or a prior period.
7. Be adequately documented.

Control: Per 2 CFR Section 200.303(a), a non-Federal entity must: Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should comply with guidance in "Standards for Internal Control in the Federal Government" issued by the Comptroller General of the United States or the "Internal Control Integrated Framework", issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

**STATE OF DELAWARE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2021**

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

Condition:

Costs were incurred and charged to the federal grant prior to the allowable start of the period of performance. In addition, one of these payments was a duplicate payment. The federal grant was incorrectly charged and reimbursed twice for the same expenditure.

Context:

Four out of five transactions were charged before the allowable period of performance. One out of five transactions represented a duplicate payment.

Questioned costs:

\$78,024 for transactions incurred and charged prior to the award's allowable period of performance, including the duplicate payment of \$28,692.

Cause:

The Division did not establish effective internal controls and procedures over grant expenditures. Existing controls did not ensure that expenditures were incurred within the award's period of performance, nor did they prevent the Division from making a duplicate payment.

Effect:

Costs could be deemed unallowable by the awarding agency if funds are expended outside of the allowable period of performance. Duplicate payments are unallowable and cannot be charged to the federal program.

Recommendation:

The Division should review and enhance internal controls and procedures to ensure that it charges expenditures to the program that are incurred within an award's allowable period of performance. The Division should ensure that controls be enhanced to prevent duplicate payments.

Views of responsible officials:

The Department is supporting the Division in training fiscal staff to better understand the requirements of spending federal money. Specific training materials outlining period of performance requirements have been developed and are being presented and distributed to fiscal staff. The Division is currently in the implementation phase of an IT project that will better manage vendor payments and provide enhanced controls to prevent duplicate payments.

**STATE OF DELAWARE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2021**

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

Reference Number: 2021-027
Prior Year Finding: No
Federal Agency: U.S. Department Homeland Security
State Department Name: Department of Safety and Homeland Security, Federal Emergency Management Agency (FEMA)
State Division Name: Delaware Emergency Management Agency (DEMA)
Federal Program: Disaster Grants - Public Assistance (Presidentially Declared Disasters), COVID-19 - Disaster Grants - Public Assistance (Presidentially Declared Disasters)
Assistance Listing Number: 97.036
Award Number and Year: 4526-DR-DE (2020), 4566-DR-DE (2021)
Compliance Requirement: Subrecipient Monitoring
Type of Finding: Material Weakness in Internal Control Over Compliance, Material Noncompliance

Criteria or specific requirement:

Compliance: 2 CFR §200.332 - Requirements for Pass-Through Entities states, in part, that all pass-through entities must:

(e) Ensure that every subaward is clearly identified to the subrecipient as a subaward and includes information at the time of the subaward and if any of these data elements change, include the changes in subsequent subaward modification. When some of this information is not available, the pass-through entity must provide the best information available to describe the Federal award and subaward. Required information includes:

(1)(xii) Assistance Listings number and Title; the pass-through entity must identify the dollar amount made available under each Federal award and the Assistance Listings Number at time of disbursement.

(f) Verify that every subrecipient is audited as required by Subpart F - Audit Requirements of this part when it is expected that the subrecipient's Federal awards expended during the respective fiscal year equaled or exceeded the threshold set forth in § 200.501 Audit requirements.

Control: Per 2 CFR Section 200.303(a), a non-Federal entity must: Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should comply with guidance in “Standards for Internal Control in the Federal Government” issued by the Comptroller General of the United States or the “Internal Control Integrated Framework”, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Condition:

DEMA did not furnish all required information to its subrecipients at the time of issuance of the subawards. Further, DEMA was not able to provide support that it ensured its subrecipients were audited as required by 2 CFR Part 200 Subpart F – Audit Requirements (Subpart F).

**STATE OF DELAWARE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2021**

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

Context:

- For five of five subrecipients, the Assistance Listing Number and Title was not provided to the subrecipient at the time of award issuance.
- For four of five subrecipients, DEMA was unable to provide support that it ensured the subrecipients were audited as required by Subpart F. DEMA could not produce evidence of verification that the subrecipient's Federal awards expended during the fiscal year were below the threshold set forth in § 200.501 Audit requirements.

Questioned costs:

Undetermined.

Cause:

DEMA did not establish effective internal controls and procedures over subrecipient monitoring.

Effect:

Excluding the required federal grant award information at the time of the subaward may cause subrecipients and their auditors to be uninformed about specific program and other regulations that apply to the funds they receive. There is also the potential for subrecipients to have incomplete Schedules of Expenditures of Federal Awards (SEFA) in their Single Audit reports, and federal funds may not be properly audited at the subrecipient level in accordance with the Uniform Guidance.

Without ensuring subrecipients have obtained audits as required by Subpart F there is an increased risk that subrecipients could be inappropriately spending and/or inaccurately tracking and reporting federal funds over multiple year periods, and these discrepancies may not be properly monitored, detected, and corrected by agency personnel on a timely basis.

Recommendation:

DEMA should review and enhance internal controls and procedures to ensure that all required information is included in all subawards, and that evaluation of independent audits is performed.

Views of responsible officials:

A contractor reviewed internal controls and procedures for subrecipient monitoring under the Public Assistance (PA) grant program, to ensure all information is provided in all subaward letters. DEMA included the "Assistance Listing Number" in the header of all PA subaward letters, in addition to the other grant requirements. Moving forward, DEMA will ensure that evaluation of independent audits is performed while conducting subrecipient monitoring. A column has been added to our subrecipient monitoring tracking sheet to ensure a review of the audit requirements for Circular A-1333 for Fiscal Year by Sub Recipient.

**STATE OF DELAWARE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2021**

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

Reference Number: 2021-028
Prior Year Finding: No
Federal Agency: U.S. Department of Homeland Security, Federal Emergency Management Agency (FEMA)
State Department Name: Department of Labor
State Division Name: Division of Unemployment Insurance
Federal Program: COVID-19 – Presidential Declared Disaster Assistance to Individuals and Households - Other Needs
Assistance Listing Number: 97.050
Award Number and Year: 4526DRDESPLW (8/1/2020 – 3/27/2022)
Compliance Requirement: Reporting
Type of Finding: Material Weakness in Internal Control over Compliance, Material Noncompliance

Criteria or specific requirement:

Compliance: Weekly Reporting - Per FEMA guidelines, States and territories that received a grant award for supplemental lost wages payments were required to provide FEMA with the Lost Wages Benefits Payment Weekly Report that included the total, weekly dollar amount of actual lost wages benefit payments made to eligible claimants, by program, the number of appeals for the underlying benefits received by claimants, and any pending claims. The state/territory used the Lost Wages Weekly Report Template for the weekly submission. The Lost Wages Weekly Report is provided to FEMA and is required until all claims are paid.

SF-425 Federal Financial Report – Per FEMA guidelines, States/territories must submit the SF-425 form to FEMA on a quarterly basis throughout the grant award period of performance, including any partial quarters in which the period of performance is open. States/territories must submit the report even if no grant award activity occurs during a given quarter.

Control: Per 2 CFR section 200.303(a), a non-Federal entity must: Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should comply with the guidance in "Standards for Internal Control in the Federal Government" issued by the Comptroller General of the United States or the "Internal Control-Integrated Framework," issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Condition:

The Division did not submit the Lost Wages Weekly Report nor the SF-425 Federal Financial Report as required by program reporting requirements.

**STATE OF DELAWARE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2021**

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

Context:

The Division provided assistance to program participants for benefit weeks ending 8/1/2020 through the end of the fiscal year 6/30/2021. Weekly reports were due for all weeks with grant activity during the fiscal year. The Division did not submit any required weekly reports. Quarterly reports for the fiscal year were due for quarters ending 9/30/2020, 12/31/2020, 3/31/2021, and 6/30/2021. The Division did not submit any required quarterly reports.

Cause:

The Division did not establish procedures or controls to ensure that weekly or quarterly reports were filed as per program requirements.

Questioned costs:

Undetermined.

Effect:

In the case of any potential or actual noncompliance, including delinquent reports, a demonstrated lack of progress, or an insufficient detail in the reports, FEMA may place special considerations on an award and/or FEMA may place a hold on funds until the matter is corrected, or additional information is provided per 2 C.F.R. §§ 200.207 and 200.338.

Recommendation:

Policies and procedures should be implemented to ensure that all required reports are filed timely and accurately and that reports are reviewed and approved by an authorized State official prior to submission.

Views of responsible officials:

Weekly Reporting – Work closely with IT and vendors to automate weekly data production reports. Automation, rather than ad hoc requests, will eliminate delays in obtaining data thus enabling more timely submission of reports.

SF- 425 – Improve cross training of staff so reporting requirements are met in the event of vacancies.

**STATE OF DELAWARE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2021**

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

Reference Number: 2021-029
Prior Year Finding: No
Federal Agency: U.S. Department of Homeland Security, Federal Emergency Management Agency (FEMA)
State Department Name: Department of Labor
State Division Name: Division of Unemployment Insurance
Federal Program: COVID-19 – Presidential Declared Disaster Assistance to Individuals and Households - Other Needs
Assistance Listing Number: 97.050
Award Number and Year: 4526DRDESPLW (8/1/2020 – 3/27/2022)
Compliance Requirement: Eligibility
Type of Finding: Significant Deficiency in Internal Control over Compliance, Other Matters

Criteria or specific requirement:

Compliance: Per FEMA guidance, participating states, territories and the District of Columbia provided supplemental lost wages payments from the week of unemployment ending August 1, 2020, to individuals (“claimants”) eligible for at least \$100 per week in unemployment insurance compensation from any of the following:

- Unemployment compensation, including regular State Unemployment Compensation, Unemployment Compensation for Federal Employees (UCFE) and Unemployment Compensation for Ex-Service members (UCX)
- Pandemic Emergency Unemployment Compensation (PEUC)
- Pandemic Unemployment Assistance (PUA)
- Extended Benefits (EB)
- Short-Time Compensation (STC)
- Trade Readjustment Allowance (TRA)
- Payments under the Self-Employment Assistance (SEA) program

Claimants were required to self-certify that they were unemployed or partially unemployed due to disruptions caused by the COVID-19 pandemic as part of the initial unemployment insurance claims process and or required weekly recertifications.

Control: Per 2 CFR section 200.303(a), a non-Federal entity must: Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should comply with the guidance in "Standards for Internal Control in the Federal Government" issued by the Comptroller General of the United States or the "Internal Control-Integrated Framework," issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Condition:

The Division did not ensure that all claimants receiving benefits were eligible.

**STATE OF DELAWARE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2021**

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

Context:

Eight of sixty claimants received benefits from the program but did not meet one or more eligibility requirements. Specifically, the following exceptions were noted (exceptions listed include multiple exceptions for some claimants):

- 4 of 60 claimants were not eligible for unemployment insurance compensation of at least \$100 per week.
- 6 of 60 claims did not have support that the claimant had self-certified that their unemployment was due to COVID-19.

Questioned costs:

\$7,800, the total amount paid to ineligible recipients.

Cause:

The Division did not establish procedures or controls to ensure that claims paid under the program were to eligible claimants.

Effect:

Claims were paid to ineligible claimants. Internal controls did not detect or prevent the errors.

Recommendation:

Policies and procedures should be implemented to ensure that program benefits are paid to eligible claimants and that documentation is maintained to support the claimant's eligibility.

Views of responsible officials:

There was an issue with some LWA payments that were paid in error due to a system programming error. Since this was an agency error, a waiver process has been established for the LWA Assistance program.

The process was established using the guidelines set forth in The CARES Act, Section 2104(f)(2) and The CARES Act, Section 2107 (e)(2).

We are only waiving these debts that were established without fault of the claimant. No fraudulent debt will be waived.

CORRECTIVE ACTION PLAN



Reference Number: 2021-003
Prior Year Finding: No
Federal Agency: U.S. Department of Labor
State Department Name: Department of Labor
State Division Name: Division of Unemployment Insurance
Federal Program: Unemployment Insurance, COVID-19 Unemployment Insurance
Assistance Listing Number: 17.225
Award Number and Year: UI325911955A10 (10/1/2018 – 12/31/2021);
UI340502055A10 (10/1/2019 – 12/31/2022)
Compliance Requirement: Reporting – ETA 2208A, Quarterly UI Above-Base Report
Type of Finding: Material Weakness in Internal Control over Compliance,
Material Noncompliance

Recommendation:

The Division should review and update its reporting procedures and controls to ensure that supporting documentation is maintained for all reports and that reports are filed timely.

Explanation of disagreement with audit finding:

There is no disagreement with the audit finding.

Action taken in response to finding: better documentation and system established

Name(s) of the contact person(s) responsible for corrective action: Laurie Wexler

Planned completion date for corrective action plan: 06/30/2022

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DIRECTOR



P.O. BOX 9950
WILMINGTON, DELAWARE 19809

Reference Number: 2021-004
Prior Year Finding: No
Federal Agency: U.S. Department of Labor
State Department Name: Department of Labor
State Division Name: Division of Unemployment Insurance
Federal Program: Unemployment Insurance, COVID-19 Unemployment Insurance
Assistance Listing Number: 17.225
Award Number and Year: UI325911955A10 (10/1/2018 – 12/31/2021);
UI340502055A10 (10/1/2019 – 12/31/2022)
Compliance Requirement: Reporting – ETA 191, Financial Status of UCFE/UCX
Financial Status of UCFE/UCX
Type of Finding: Significant Deficiency in Internal Control over Compliance,
Other Matters

Recommendation:

The Division should review and update its reporting procedures and controls to ensure that submitted reports are accurate and reconcile to supporting documentation.

Explanation of disagreement with audit finding:

There is no disagreement with the audit finding.

Action taken in response to finding: Bi-Weekly meeting with the ETA program officials to receive proper training related to all Federal ETA Reports. Scheduling both virtual and in person sessions to get all new staff trained properly. As we become properly trained we will be reviewing and updating policies related to ETA reporting.

Name(s) of the contact person(s) responsible for corrective action: Michael Brittingham,
Tracey Rogers

Planned completion date for corrective action plan: 3/30/2023

OFFICE OF THE
DIRECTOR



P.O. BOX 9950
WILMINGTON, DELAWARE 19809

Reference Number: 2021-005
Prior Year Finding: N/A
Federal Agency: U.S. Department of Labor
State Department Name: Department of Labor
State Division Name: Division of Unemployment Insurance
Federal Program: Unemployment Insurance, COVID-19 Unemployment Insurance
Assistance Listing Number: 17.225
Award Number and Year: UI325911955A10 (10/1/2018 – 12/31/2021);
UI340502055A10 (10/1/2019 – 12/31/2022)
Compliance Requirement: Special Tests and Provisions – Employer Experience Rating
Type of Finding: Significant Deficiency in Internal Control over Compliance, Other Matters

Recommendation:

The Division should review and enhance procedures and controls to ensure that employer experience rates are properly calculated and applied.

Explanation of disagreement with audit finding:

There is no disagreement with the audit finding.

Action taken in response to finding: The calculation situation was caused by special rule issued by Secretary of Labor due to COVID 19 pandemic. We are reviewing are true MERIT process to ensure rates are charged correctly. Pre-COVID reviews show little to no variances in this area. The agency will continue to review and manually adjust accounts to the proper tax rate based on Emergency Rule 18.

Name(s) of the contact person(s) responsible for corrective action: Michael Brittigham, Tracey Rogers

Planned completion date for corrective action plan: 12/31/2023



Reference Number: 2021-006
Prior Year Finding: 2020-015
Federal Agency: U.S. Department of Labor
State Department Name: Department of Labor
State Division Name: Division of Unemployment Insurance Unemployment
Federal Program: Insurance
Assistance Listing Number: 17.225
Award Number and Year: UI325911955A10 (10/1/2018 – 12/31/2021);
UI340502055A10 (10/1/2019 – 12/31/2022)
Compliance Requirement: Special Tests – UI Program Integrity - Overpayments
Type of Finding: Significant Deficiency in Internal Control over Compliance, Other Matters

Recommendation:

The Division should reiterate policies and procedures to ensure overpayments are properly identified, handled, assessed, and that offsetting and recovery procedures are performed.

Explanation of disagreement with audit finding:

There is no disagreement with the audit finding.

Action taken in response to finding:

Management recognizes the operational burden Covid-related volumes placed on the Overpayments unit. The need for more extensive procedural training, particularly among contract employees, is evident. To address this need, resources from NASWA (Fraud investigation training) and the Project Management Office (detection software in Modernization project) will be employed to augment internal BPC training initiatives.

Steps are also being taken to use a centralized, paperless system to ensure all notations, communications and documentation are easily accessible for processing purposes.

Name(s) of the contact person(s) responsible for corrective action: Carolyn Nasser, Rachael Griffith

Planned completion date for corrective action plan: 03/31/2023



State of Delaware
Office of Management and Budget

Reference Number: 2021-007
Prior Year Finding: No
Federal Agency: U.S. Department of the Treasury
State Department Name: Delaware Office of Management and Budget
Federal Program: COVID-19 – Coronavirus Relief Fund
Assistance Listing Number: 21.019
Award Number and Year: SLT0034, SLT0242 (3/1/2020 – 12/31/2021)
Compliance Requirement: Subrecipient Monitoring
Type of Finding: Material Weakness in Internal Control Over Compliance, Material Noncompliance

Recommendation:

OMB should review and enhance internal controls and procedures to ensure that all required information is included in all subawards, that proper subrecipient monitoring is conducted, and that evaluation of independent audits is performed.

Explanation of disagreement with audit finding:

There is no disagreement with the audit finding.

Action taken in response to finding: OMB has updated subrecipient agreements to include all data elements required by 2 CRF 200 and will update internal controls and procedures to ensure subrecipient monitoring is conducted more efficiently in the future. OMB has issued audit confirmation notices to all subrecipients ensuring 2 CRF 200 data elements are conveyed clearly and instructing subrecipients to forward a copy of the two most recently completed single audit financial statements for evaluation.

Name(s) of the contact person(s) responsible for corrective action: Tanisha Guobadia and Debbie Cain-Johnson

Planned completion date for corrective action plan: December 31, 2022



Reference Number: 2021-008
Prior Year Finding: No
Federal Agency: U.S. Department of Education
State Department Name: Delaware Technical Community College
Federal Program: COVID-19 – HEERF Institutional Portion
Assistance Listing Number: 84.425F
Award Number and Year: P425E204740 (5/24/2020 – 5/11/2022)
P425F204690 (8/18/2020 – 5/14/2022)
Compliance Requirement: Reporting – Quarterly Public Reporting – Institutional Portion
Type of Finding: Significant Deficiency in Internal Control Over Compliance,
Other Matters

Recommendation:

The College should review and enhance internal controls and procedures to ensure that the quarterly institutional reports are completed and submitted timely.

Explanation of disagreement with audit finding:

There is no disagreement with the audit finding.

Action taken in response to finding:

The College agrees with the finding and corrected the condition of the March 31 and June 30, 2021 quarterly HEERF- Institutional Portion reports as published by October 10, 2021 with no questioned costs as well as met timely and thorough annual reporting and internal control compliance requirements. The College did and continues to take quarterly reporting Improvement actions which included attending Fall 2021 US DOE reporting webinar and utilizing additional/updated training material/tutorials available along with application of comprehensive guidance on technical elements put forth per September 30, 2021 US DOE Acting Assistant Secretary for Postsecondary Education's Dear Colleagues Letter. The College continues to train additional and new staff assigned to support the timely and technical demands of the HEERF Quarterly Reporting.

Name(s) of the contact person(s) responsible for corrective action:

Carol Rhodes, Assistant Vice President for Finance

Planned completion date for corrective action plan:

October 10, 2022

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Reference Number: 2021-009
Prior Year Finding: No
Federal Agency: U.S. Department of Health and Human Services
State Department Name: Department of Health and Social Services
State Division Name: Division of Public Health
Federal Program: Immunization Cooperative Agreements, COVID-19 –
Immunization Cooperative Agreements
**Assistance Listing
Number:** 93.268
Award Number and Year: NH23IP922598 (7/1/2020 – 9/30/2024)
Compliance Requirement: Allowable Cost/Cost Principles – Time and Effort
Reporting
Type of Finding: Significant Deficiency in Internal Control Over
Compliance, Other Matters

Recommendation:

The Division should reevaluate its current process, implement proper controls, and perform additional training over time and effort reporting. The Division should not seek federal reimbursement unless it can substantiate that the time and effort was dedicated to the federal program.

Explanation of disagreement with audit finding:

There is no disagreement with the audit finding.

Action taken in response to finding:

The positions related to the staff selected as samples were removed from Immunization Grant funding, due to reorganization, effective 7/1/2022. Going forward the Division will ensure all staff are properly coded to funding sources, and if errors are identified will promptly make any corrections necessary.

Name(s) of the contact person(s) responsible for corrective action:

James E. Talbott

Planned completion date for corrective action plan:

July 1, 2022



Reference Number: 2021-010
Prior Year Finding: No
Federal Agency: U.S. Department of Health and Human Services
State Department Name: Department of Health and Social Services
State Division Name: Division of Public Health
Federal Program: COVID-19 – Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)
Assistance Listing Number: 93.323
Award Number and Year: NU50CK000497 (8/1/2019 – 7/31/2024)
Compliance Requirement: Allowable Cost/Cost Principles – Time and Effort Reporting
Type of Finding: Material Weakness in Internal Control Over Compliance

Recommendation:

The Division should reevaluate its current process, implement proper controls, and perform additional training over time and effort reporting. The Division should not seek federal reimbursement unless it can substantiate that the time and effort was dedicated to the federal program.

Explanation of disagreement with audit finding:

There is no disagreement with the audit finding.

Action taken in response to finding:

During the audit process, the Division of Public Health recognized the missing information and did not realize that our management of the grant was out of compliance with personnel time tracking and certification. The ELC Grant Managers track personnel funding via org charts, grant budget requests, wage workups, and manage all funding transfer notifications (FTNs) for budget positions (BPs) associated with ELC. However, the collection of certification forms as part of compliance was a process management had not yet implemented. We can now report that this has been overhauled and time and effort attestation and certification forms are being collected every 6 months if not sooner. ELC Grant Managers at DPH developed a new standard operating procedure (SOP), worked with DHSS DMS to be trained on the requirements and work towards a new internal standard, and have been able to collect time certifications for over 60 staff during the audit period and will retroactively collect time certifications from previous periods – over 100 staff members as part of the training and implementation process. We are pleased to have been able to start implementing the compliance requirements prior to audit completion.

Name(s) of the contact person(s) responsible for corrective action:

Wes Holleger, Laboratory Deputy Director, Division of Public Health

Planned completion date for corrective action plan:

Corrective actions started while audit was in progress with full implementation completed by December 31, 2022.



Reference Number: 2021-011
Prior Year Finding: No
Federal Agency: U.S. Department of Health and Human Services
State Department Name: Department of Health and Social Services
State Division Name: Division of Public Health
Federal Program: COVID-19 – Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)
Assistance Listing Number: 93.323
Award Number and Year: NU50CK000497 (8/1/2019 – 7/31/2024)
Compliance Requirement: Reporting
Type of Finding: Material Weakness in Internal Control Over Compliance, Material Noncompliance

Recommendation:

The Division should review and enhance internal controls and procedures to ensure that quarterly performance and progress reports are filed timely and that it maintains documentation supporting timely submission.

Explanation of disagreement with audit finding:

There is no disagreement with the audit finding.

Action taken in response to finding:

The Division is now saving all reports as PDF documents as they are submitted to the Federal Program via REDCap to timestamp the submission dates. DPH will continue returning these measures within a timely manner and now be able to provide that verification. In communications with the Federal Program, we verified that the Federal Program also records and retains submission dates and timestamps on these reports, which can serve as backup to the DPH process, in the rare event of system issues.

Name(s) of the contact person(s) responsible for corrective action:

Wes Holleger, Laboratory Deputy Director, Division of Public Health

Planned completion date for corrective action plan:

Corrective action implementation is in progress with planned completion by December 31, 2022.



Reference Number: 2021-012
Prior Year Finding: No
Federal Agency: U.S. Department of Health and Human Services
State Department Name: Department of Health and Social Services
State Division Name: Division of Public Health
Federal Program: COVID-19 – Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)
Assistance Listing Number: 93.323
Award Number and Year: NU50CK000497 (8/1/2019 – 7/31/2024)
Compliance Requirement: Equipment and Real Property Management
Type of Finding: Significant Deficiency in Internal Control Over Compliance, Other Matters

Recommendation:

The Division should review and enhance internal controls and procedures to ensure that all equipment purchased with federal funds is properly recorded in the annual physical equipment inventory so that property records remain accurate.

Explanation of disagreement with audit finding:

There is no disagreement with the audit finding.

Action taken in response to finding:

The Division is implementing and will be receiving training on an Asset Inventory Management System which includes equipment management modules. This will further enhance our ability to maintain and track assets plus generate reports that accurately reflect equipment and property, which can be used for analysis, in addition to providing support for audits, reviews and other requests. This system has received annual grant funding and is a priority to maintain.

Name(s) of the contact person(s) responsible for corrective action:

Wes Holleger, Laboratory Deputy Director, Division of Public Health

Planned completion date for corrective action plan:

System to go-live October 1, 2022, full implementation by December 31, 2022.



Reference Number: 2021-013
Prior Year Finding: N/A
Federal Agency: U.S. Department of Health and Human Services
State Agency: Department of Health and Social Services
State Division: Division of State Service Centers
Federal Program: Low-Income Home Energy Assistance, Covid-19 – Low-Income Home Energy Assistance
Assistance Listing Number: 93.568
Award Number and Year: 2001DELIEA (10/1/2019 – 12/31/2024), 2101DELIEA (10/1/2020 – 12/31/2025), 2001DEE5C3 (3/27/2020 – 12/29/2021)
Compliance Requirement: Reporting – Federal Funding Accountability and Transparency Act (FFATA)
Type of Finding: Material Weakness in Internal Control Over Compliance, Material Noncompliance

Recommendation:

We recommend that the Division develop internal controls and procedures to ensure that FFATA reporting requirements are met. We further recommend the Division develop controls and procedures to ensure that all required subawards are reported accurately and timely to FSRS.

Explanation of disagreement with audit finding:

There is no disagreement with the audit finding.

Action taken in response to finding:

The Division of State Service Centers (DSSC) has added an appendix to the subrecipient contract regarding FFATA reporting. DSSC will clearly identify the information required for FFATA reporting in the contract appendix. DSSC will require all sub-awardees during initial contract or renewal to provide all the necessary information for DSSC to complete and submit the FFATA reports. The DSSC fiscal unit will be responsible for submitting the FFATA report in FSRS.

Name(s) of the contact person(s) responsible for corrective action:

Christopher Antonio
Margaret Getty
Haly Laasme-McQuilkin

Planned completion date for corrective action plan:

October 31, 2022.



Reference Number: 2021-014
Prior Year Finding: No
Federal Agency: U.S. Department of Health and Human Services
State Department Name: Department of Health and Social Services
State Division Name: Division of Medicaid and Medical Assistance
Federal Program: Children's Health Insurance Program (CHIP)
**Assistance Listing
Number:** 93.767
Award Number and Year: 2105DE5021 (10/1/2020 – 9/30/2022)
Compliance Requirement: Period of Performance
Type of Finding: Significant Deficiency in Internal Control over
Compliance, Other Matters

Recommendation:

The Division should review and enhance internal controls and procedures to ensure that it charges expenditures to the program that are incurred within an award's allowable period of performance.

Explanation of disagreement with audit finding:

There is no disagreement with the audit finding.

Action taken in response to finding:

DMMA will review expenditures for the 2021 CHIP grant to ensure that all reported expenditures occurred during the period of performance. Prior period adjustments will be made to the CMS-21 report should any expenditures have occurred outside of the period of performance. Going forward DMMA will ensure that its quarterly grant reporting procedures include a review of expenditures and grant draws to ensure all dates fall within the allowed period of performance.

Name(s) of the contact person(s) responsible for corrective action:

Unkyong H. Goldie, Chief of Administration
Michele Stant, Chief of Financial Management

Planned completion date for corrective action plan:

December 31, 2022



Reference Number: 2021-015
Prior Year Finding: 2020-003
Federal Agency: U.S. Department of Health and Human Services
State Department Name: Department of Health and Social Services
State Division Name: Division of Medicaid and Medical Assistance
Federal Program: Medicaid Cluster, Children's Health Insurance (CHIP)
Assistance Listing Number: 93.775, 93.777, 93.778, 93.767
Award Number and Year: 2105DE5MAP (10/1/2020 – 9/30/2021), 2005DE5MAP (10/1/2019 – 9/30/2020)
2005DE5021 (10/1/2019 – 9/30/2021); 2105DE5021 (10/1/2020 – 9/30/2022)
Compliance Requirement: Special Tests – Provider Eligibility
Type of Finding: Material Weakness in Internal Control over Compliance, Material Noncompliance

Recommendation:

The Division should reevaluate its current process and perform additional training for determining and monitoring provider eligibility. More thorough reviews and supervision should be placed around the provider eligibility processes.

Explanation of disagreement with audit finding:

There is no disagreement with the audit finding.

Action taken in response to finding:

The Division will reevaluate the current process for validating Non-Par provider eligibility and plans to provide additional training for determining and monitoring provider eligibility. In addition, there will be more detailed reviews and increased supervision for the provider eligibility processes.

Name(s) of the contact person(s) responsible for corrective action:

Theodore Robinson

Planned completion date for corrective action plan:

December 31, 2023.



Reference Number: 2021-016
Prior Year Finding: No
Federal Agency: U.S. Department of Health and Human Services
State Department Name: Department of Health and Social Services
State Division Name: Division of Medicaid and Medical Assistance
Federal Program: Medicaid Cluster
Assistance Listing Number: 93.775, 93.777, 93.778
Award Number and Year: 2105DE5MAP (10/1/2020 – 9/30/2021), 2005DE5MAP (10/1/2019 – 9/30/2020)
Compliance Requirement: Special Tests – Managed Care Financial Audit
Type of Finding: Material Weakness in Internal Control Over Compliance, Material Noncompliance

Recommendation:

The Division should implement procedures to ensure that it conducts or contracts for independent audits of its managed care providers at least once every three years and posts the results of those audits to their website.

Explanation of disagreement with audit finding:

There is no disagreement with the audit finding.

Action taken in response to finding:

The Division will evaluate our current procedures to determine how to best to meet the compliance requirements. The Division will establish and implement new procedures based on the results of the evaluation, if needed. Going forward the Division will ensure the required independent financial audits of the MCO's are conducted every year and that the results are posted to the Division website as required by the federal compliance guidelines.

Name(s) of the contact person(s) responsible for corrective action:

Kathleen Dougherty

Planned completion date for corrective action plan:

December 31, 2023.



Reference Number: 2021-017
Prior Year Finding: 2020-004
Federal Agency: U.S. Department of Health and Human Services
State Department Name: Department of Health and Social Services
State Division Name: Division of Medicaid and Medical Assistance
Federal Program: Medicaid Cluster
Assistance Listing Number: 93.775, 93.777, 93.778
Award Number and Year: 2105DE5MAP (10/1/2020 – 9/30/2021), 2005DE5MAP (10/1/2019 – 9/30/2020)
Compliance Requirement: Special Tests – Provider Health and Safety Standards
Type of Finding: Significant Deficiency in Internal Control over Compliance, Other Matters

Recommendation:

The Division should enhance its procedures and controls over monitoring provider health and safety standards to ensure that Medicaid services are provided in facilities that meet all requirements. Supporting documentation should be properly maintained and reviews should be performed by the Division in a timely manner.

Explanation of disagreement with audit finding:

There is no disagreement with the audit finding.

Action taken in response to finding:

The Division will make a priority evaluating ways to improve its procedures and controls over monitoring provider health and safety standards to ensure that Medicaid services are provided in facilities that meet all requirements. DMMA is working to improve the process to complete reviews more timely, in addition to compiling and retaining the related supporting documentation.

Name(s) of the contact person(s) responsible for corrective action:

Theodore Robinson

Planned completion date for corrective action plan:

December 31, 2023.



Reference Number: 2021-018
Prior Year Finding: 2020-006
Federal Agency: U.S. Department of Health and Human Services
State Department Name: Department of Health and Social Services
State Division Name: Division of Substance Abuse and Mental Health
Federal Program: Opioid STR, Covid-19 – Opioid STR
**Assistance Listing
Number:** 93.788
Award Number and Year: H79TI081735 (9/30/2018 – 9/29/2020), H79TI083305
(9/30/2020 – 9/29/2022)
Compliance Requirement: Subrecipient Monitoring
Type of Finding: Material Weakness in Internal Control Over
Compliance, Material Noncompliance

Recommendation:

The Division should review and enhance internal controls and procedures to ensure that all required information is included in all subawards, that proper subrecipient monitoring is conducted, and that evaluation of independent audits is performed.

Explanation of disagreement with audit finding:

There is no disagreement with the audit finding.

Action taken in response to finding:

The Division is updating its policies and procedures to ensure internal controls are in place to ensure that all required information is included in all subawards. Additionally, staff has been identified to ensure that proper subrecipient monitoring occurs and that a complete review of all subrecipient documents, including independent audits, is performed.

Name(s) of the contact person(s) responsible for corrective action:

Mequoria Bowden, Chief of Administration, Office of the Secretary Administration

Planned completion date for corrective action plan:

December 30, 2022



Reference Number: 2021-019
Prior Year Finding: 2020-007
Federal Agency: U.S. Department of Health and Human Services
State Department Name: Department of Health and Social Services
State Division Name: Division of Substance Abuse and Mental Health
Federal Program: Opioid STR, COVID-19 – Opioid STR
Assistance Listing Number: 93.788
Award Number and Year: H79TI081735 (9/30/2018 – 9/29/2020), H79TI083305 (9/30/2020 – 9/29/2022)
Compliance Requirement: Procurement
Type of Finding: Material Weakness in Internal Control Over Compliance, Material Noncompliance

Recommendation:

The Division should review and enhance controls and procedures to ensure that it follows the state's procurement policy for all goods and services charged to the program.

Explanation of disagreement with audit finding:

There is no disagreement with the audit finding.

Action taken in response to finding:

The Division intends to review current procedures and ensure staff understand the state's procurement requirements. Additionally, the Department is consolidating our Contracting and Procurement functions to provide a more uniform approach and consistent compliance with Procurement guidelines.

Name(s) of the contact person(s) responsible for corrective action:

Mequoria Bowden, Chief of Administration, Office of the Secretary Administration

Planned completion date for corrective action plan:

December 30, 2022



Reference Number: 2021-020
Prior Year Finding: No
Federal Agency: U.S. Department of Health and Human Services
State Agency: Department of Health and Social Services
State Division: Division of Substance Abuse and Mental Health
Federal Program: Opioid STR, COVID-19 – Opioid STR
Assistance Listing Number: 93.788
Award Number and Year: H79TI081735 (9/30/2018 – 9/29/2020), H79TI083305 (9/30/2020 – 9/29/2022)
Compliance Requirement: Reporting – Federal Funding Accountability and Transparency Act (FFATA)
Type of Finding: Material Weakness in Internal Control Over Compliance, Material Noncompliance

Recommendation:

We recommend that the Division develop internal controls and procedures to ensure that FFATA reporting requirements are met. We further recommend the Division develop controls and procedures to ensure that all required subawards are reported accurately and timely to FSRs.

Explanation of disagreement with audit finding:

There is no disagreement with the audit finding.

Action taken in response to finding:

The Division is reviewing current subawards to ensure all proper information is outlined to successfully meet FFATA reporting requirements. Division fiscal staff will ensure accurate and timely entry of subaward date to FSRs.

Name(s) of the contact person(s) responsible for corrective action:

Mequoria Bowden, Chief of Administration, Office of the Secretary Administration

Planned completion date for corrective action plan:

December 31, 2022



Reference Number: 2021-021
Prior Year Finding: No
Federal Agency: U.S. Department of Health and Human Services
State Department Name: Department of Health and Social Services
State Division Name: Division of Substance Abuse and Mental Health
Federal Program: Opioid STR, COVID-19 – Opioid STR
**Assistance Listing
Number:** 93.788
Award Number and Year: H79TI081735 (9/30/2018 – 9/29/2020), H79TI083305
(9/30/2020 – 9/29/2022)
Compliance Requirement: Allowable Cost/Cost Principles – Time and Effort
Reporting
Type of Finding: Significant Deficiency in Internal Control Over
Compliance, Other Matters

Recommendation:

The Division should reevaluate its current process, implement proper controls, and perform additional training over time and effort reporting. The Division should not seek federal reimbursement unless it can substantiate that the time and effort was dedicated to the federal program.

Explanation of disagreement with audit finding:

There is no disagreement with the audit finding.

Action taken in response to finding:

The Division will perform staff training over time and effort reporting to ensure that federal reimbursement requests can substantiate that the time and effort was dedicated to the federal program.

Name(s) of the contact person(s) responsible for corrective action:

Mequoria Bowden, Chief of Administration, Office of the Secretary Administration

Planned completion date for corrective action plan:

December 30, 2022



Reference Number: 2021-022
Prior Year Finding: No
Federal Agency: U.S. Department of Health and Human Services
State Department Name: Department of Health and Social Services
State Division Name: Division of Substance Abuse and Mental Health
Federal Program: Opioid STR, COVID-19 – Opioid STR
Assistance Listing Number: 93.788
Award Number and Year: H79TI083305 (9/30/2020 – 9/29/2022)
Compliance Requirement: Period of Performance
Type of Finding: Significant Deficiency in Internal Control over Compliance;
Other Matters

Recommendation:

The Division should review and enhance internal controls and procedures to ensure that it charges expenditures to the program that are incurred within an award's allowable period of performance.

Explanation of disagreement with audit finding:

There is no disagreement with the audit finding.

Action taken in response to finding:

The Department is supporting the Division in training fiscal staff to better understand the requirements of spending federal money. Specific training materials outlining period of performance requirements have been developed and are being presented and distributed to fiscal staff.

Name(s) of the contact person(s) responsible for corrective action:

Mequoria Bowden, Chief of Administration, Office of the Secretary Administration

Planned completion date for corrective action plan:

December 30, 2022



Reference Number: 2021-023
Prior Year Finding: 2020-008
Federal Agency: U.S. Department of Health and Human Services
State Department Name: Department of Health and Social Services
State Division Name: Division of Substance Abuse and Mental Health
Federal Program: Opioid STR, COVID-19 – Opioid STR
Assistance Listing Number: 93.788
Award Number and Year: H79TI081735 (9/30/2018 – 9/29/2020), H79TI083305 (9/30/2020 – 9/29/2022)
Compliance Requirement: Suspension and Debarment
Type of Finding: Significant Deficiency in Internal Control Over Compliance, Other Matters

Recommendation:

The Division should ensure policies and procedures reiterate the three options for determining suspension and debarment status listed in 2 CFR 180.300.

Explanation of disagreement with audit finding:

There is no disagreement with the audit finding.

Action taken in response to finding:

The Policy and Procedure was updated by the contracts unit on 9/26/2022. Please see the language that was added below.

- a) Checking SAM (System for Award Management) Exclusions; or
- b) Collecting a certification from that vendor; or
- c) Adding a clause or condition to the covered transaction with that vendor

Name(s) of the contact person(s) responsible for corrective action:

Mequoria Bowden, Chief of Administration Office of the Secretary Administration

Planned completion date for corrective action plan:

November 1, 2022



Reference Number: 2021-024
Prior Year Finding: 2020-005
Federal Agency: U.S. Department of Health and Human Services
State Department Name: Department of Health and Social Services
State Division Name: Division of Substance Abuse and Mental Health
Federal Program: Block Grants for Prevention and Treatment of Substance Abuse
Assistance Listing Number: 93.959
Award Number and Year: B08TI010009 (10/1/2018 – 9/30/2020), B08TI083060 (10/1/2019 – 9/30/2021), B08TI083488 (10/1/2020 – 9/30/2022)
Compliance Requirement: Subrecipient Monitoring
Type of Finding: Material Weakness in Internal Control Over Compliance, Material Noncompliance

Recommendation:

The Division should review and enhance internal controls and procedures to ensure that all required information is included in all subawards and provided to the subrecipients, that proper subrecipient monitoring is conducted, and that evaluation of independent audits is performed.

Explanation of disagreement with audit finding:

There is no disagreement with the audit finding.

Action taken in response to finding:

The Division is updating its policies and procedures to ensure internal controls are in place to ensure that all required information is included in all subawards. Additionally, staff has been identified to ensure that proper subrecipient monitoring occurs and that a complete review of all subrecipient documents, including independent audits, is performed.

Name(s) of the contact person(s) responsible for corrective action:

Mequoria Bowden, Chief of Administration, Office of the Secretary Administration

Planned completion date for corrective action plan:

December 30, 2022



Reference Number: 2021-025
Prior Year Finding: No
Federal Agency: U.S. Department of Health and Human Services
State Department Name: Department of Health and Social Services
State Division Name: Division of Substance Abuse and Mental Health
Federal Program: Block Grants for Prevention and Treatment of Substance Abuse
Assistance Listing Number: 93.959
Award Number and Year: B08TI010009 (10/1/2018 – 9/30/2020), B08TI083060 (10/1/2019 – 9/30/2021), B08TI083488 (10/1/2020 – 9/30/2022)
Compliance Requirement: Allowable Cost/Cost Principles – Time and Effort Reporting
Type of Finding: Significant Deficiency in Internal Control Over Compliance

Recommendation:

The Division should reevaluate its current process, implement proper controls, and perform additional training over time and effort reporting. The Division should not seek federal reimbursement unless it can substantiate that the time and effort was dedicated to the federal program.

Explanation of disagreement with audit finding:

There is no disagreement with the audit finding.

Action taken in response to finding:

The Division will perform staff training over time and effort reporting to ensure that federal reimbursement requests can substantiate that the time and effort was dedicated to the federal program.

Name(s) of the contact person(s) responsible for corrective action:

Mequoria Bowden, Chief of Administration, Office of the Secretary Administration

Planned completion date for corrective action plan:

December 30, 2022



Reference Number: 2021-026
Prior Year Finding: No
Federal Agency: U.S. Department of Health and Human Services
State Department Name: Department of Health and Social Services
State Division Name: Division of Substance Abuse and Mental Health
Federal Program: Block Grants for Prevention and Treatment of Substance Abuse
Assistance Listing Number: 93.959
Award Number and Year: B08TI083488 (10/1/2020 – 9/30/2022)
Compliance Requirement: Period of Performance and Allowable Costs/Cost Principles
Type of Finding: Significant Deficiency in Internal Control over Compliance, Other Matters

Recommendation:

The Division should review and enhance internal controls and procedures to ensure that it charges expenditures to the program that are incurred within an award's allowable period of performance. The Division should ensure that controls be enhanced to prevent duplicate payments.

Explanation of disagreement with audit finding:

There is no disagreement with the audit finding.

Action taken in response to finding:

The Department is supporting the Division in training fiscal staff to better understand the requirements of spending federal money. Specific training materials outlining period of performance requirements have been developed and are being presented and distributed to fiscal staff. The Division is currently in the implementation phase of an IT project that will better manage vendor payments and provide enhanced controls to prevent duplicate payments.

Name(s) of the contact person(s) responsible for corrective action:

Mequoria Bowden, Chief of Administration, Office of the Secretary Administration

Planned completion date for corrective action plan:

December 30, 2022



Delaware Emergency Management Agency

STATE OF DELAWARE | DEPARTMENT OF SAFETY AND HOMELAND SECURITY

ADDRESS

165 Brick Store Landing Road
Smyrna, Delaware 19977

PHONE

302-659-DEMA (3362)

STAY CONNECTED

   DelawareEMA

Reference Number: 2021-027
Prior Year Finding: No
Federal Agency: U.S. Department Homeland Security
State Department Name: Department of Safety and Homeland Security, Federal Emergency Management Agency (FEMA)
State Division Name: Delaware Emergency Management Agency (DEMA)
Federal Program: COVID-19 - Disaster Grants - Public Assistance (Presidentially Declared Disasters)
Assistance Listing Number: 97.036
Award Number and Year: 4526-DR-DE (2020), 4566-DR-DE (2021)
Compliance Requirement: Subrecipient Monitoring
Type of Finding: Material Weakness in Internal Control Over Compliance, Material Noncompliance

Recommendation:

DEMA should review and enhance internal controls and procedures to ensure that all required information is included in all subawards, and that evaluation of independent audits is performed.

Explanation of disagreement with audit finding:

There is no disagreement with the audit finding.

Action taken in response to finding:

A contractor reviewed internal controls and procedures for subrecipient monitoring under the Public Assistance (PA) grant program, to ensure all information is provided in all subaward letters. DEMA included the "Assistance Listing Number" in the header of all PA subaward letters, in addition to the other grant requirements. Moving forward, DEMA will ensure that evaluation of independent audits is performed while conducting subrecipient monitoring. A column has been added to our subrecipient monitoring tracking sheet to ensure a review of the audit requirements for Circular A-1333 for Fiscal Year by Sub Recipient."

Name(s) of the contact person(s) responsible for corrective action:

Leanne VanDerveer
Principal Planner, Recovery
302-659-2313 (office)
302-222-6584 (mobile)

Planned completion date for corrective action plan:



Delaware Emergency Management Agency

STATE OF DELAWARE | DEPARTMENT OF SAFETY AND HOMELAND SECURITY

ADDRESS

165 Brick Store Landing Road
Smyrna, Delaware 19977

PHONE

302-659-DEMA (3362)

STAY CONNECTED

[f](#) [t](#) [@](#) DelawareEMA

This corrective action plan has been completed as of Monday September 26, 2022.

OFFICE OF THE
DIRECTOR



P.O. BOX 9950
WILMINGTON, DELAWARE 19809

Reference Number: 2021-028
Prior Year Finding: No
Federal Agency: U.S. Department of Homeland Security, Federal Emergency Management Agency (FEMA)
State Department Name: Department of Labor
State Division Name: Division of Unemployment Insurance
Federal Program: COVID-19 – Presidential Declared Disaster Assistance to Individuals and Households - Other Needs
Assistance Listing Number: 97.050
Award Number and Period: 4526DRDESPLW (8/1/2020 – 3/27/2022)
Compliance Requirement: Reporting
Type of Finding: Material Weakness in Internal Control over Compliance, Material Noncompliance

Recommendation:

Policies and procedures should be implemented to ensure that all required reports are filed timely and accurately and that reports are reviewed and approved by an authorized State official prior to submission.

Explanation of disagreement with audit finding:

There is no disagreement with the audit finding.

Action taken in response to finding: Weekly Reporting – Work closely with IT and vendors to automate weekly data production reports. Automation, rather than ad hoc requests, will eliminate delays in obtaining data thus enabling more timely submission of reports.

SF- 425 – Improve cross training of staff so reporting requirements are met in the event of vacancies.

Name(s) of the contact person(s) responsible for corrective action: Marie Cameron, Laurie Wexler.

Planned completion date for corrective action plan: 3/30/2023

OFFICE OF THE
DIRECTOR



P.O. BOX 9950
WILMINGTON, DELAWARE 19809

Reference Number: 2021-029
Prior Year Finding: N/A
Federal Agency: U.S. Department of Homeland Security, Federal Emergency Management Agency (FEMA)
State Department Name: Department of Labor
State Division Name: Division of Unemployment Insurance
Federal Program: COVID-19 – Presidential Declared Disaster Assistance to Individuals and Households - Other Needs
Assistance Listing Number: 97.050
Award Number and Period: 4526DRDESPLW (8/1/2020 – 3/27/2022)
Compliance Requirement: Eligibility
Type of Finding: Significant Deficiency in Internal Control over Compliance, Other Matters

Recommendation:

Policies and procedures should be implemented to ensure that program benefits are paid to eligible claimants and that documentation is maintained to support the claimant's eligibility.

Explanation of disagreement with audit finding:

There is no disagreement with the audit finding.

Action taken in response to finding:

There was an issue with some LWA payments that were paid in error due to a system programming error. Since this was an agency error, a waiver process has been established for the LWA Assistance program.

The process was established using the guidelines set forth in The CARES Act, Section 2104(f)(2) and The CARES Act, Section 2107 (e)(2).

We are only waiving these debts that were established without fault of the claimant. No fraudulent debt will be waived.

Name(s) of the contact person(s) responsible for corrective action:

Shannon Lolley and Jane Brennan

Planned completion date for corrective action plan: 03/31/2023

CURRENT YEAR STATUS OF PRIOR YEAR AUDIT FINDINGS



Reference Number: 2019-007
Prior Year Finding: No
Federal Agency: U.S. Department of Agriculture
State Department Name: Department of Health and Social Services
State Division Name: Division of Public Health
Federal Program: Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)
CFDA Number: 10.557
Award Number and Year: 181DE701W (10/1/2017 – 9/30/2018); 191DE701W (10/1/2018 – 9/30/2019)
Compliance Requirement: Allowable Costs / Cost Principles – Time and Effort Reporting
Type of Finding: Significant Deficiency in Internal Control over Compliance, Noncompliance

Condition:

Time and effort certifications were not consistently documented in accordance with federal requirements. The Division failed to obtain signed certifications from employees prior to them leaving their positions at the Division.

Current Year Status:

Corrective action was taken.



Reference Number: 2020-003
Prior Year Finding: 2019-002
Federal Agency: U.S. Department of Health and Human Services
State Department Name: Department of Health and Social Services
State Division Name: Division of Medicaid and Medical Assistance
Federal Program: Medicaid Cluster, and Children's Health Insurance Program
CFDA Number: 93.775, 93.777, 93.778 and 93.767
Award Number and Year: 1905DE5MAP (10/1/2018 – 9/30/2019); 2005DE5MAP (10/1/2019 – 9/30/2020)
1905DE5021 (10/1/2018 – 12/31/2020); 2005DE5021 (10/1/2019 – 12/31/2020)
Compliance Requirement: Special Tests – Provider Eligibility
Type of Finding: Material Weakness in Internal Control over Compliance, Material Noncompliance (Qualified Opinion)

Condition:

The Division is not in compliance with federal regulations relating to provider eligibility requirements for both new and revalidated providers.

Current Year Status:

Not Corrected. [Refer to current year finding 2021-015.]

Reason for finding's reoccurrence:

The sample selections consisted primarily of Non-Par providers. The vendors currently engaged by the Division to perform the eligibility requirements were unable to complete the required validations. The Division is re-evaluating the current process to determine if there is a need for additional vendors to complete the validations for Non-Par providers. Based on the evaluation results DMMA will implement new procedures and/or engage additional vendors to ensure the compliance requirements are met.

Name(s) of the contact person(s) responsible for corrective action:

Theodore Robinson

Planned completion date for corrective action plan:

December 31, 2023.



Reference Number: 2020-004
Prior Year Finding: 2019-003
Federal Agency: U.S. Department of Health and Human Services
State Department Name: Department of Health and Social Services
State Division Name: Division of Medicaid and Medical Assistance
Federal Program: Medicaid Cluster
CFDA Number: 93.775, 93.777, 93.778
Award Number and Year: 1905DE5MAP (10/1/2018 – 9/30/2019); 2005DE5MAP (10/2/2019 – 9/30/2020)
Compliance Requirement: Special Tests – Provider Health and Safety Standards
Type of Finding: Material Weakness in Internal Control over Compliance, Material Noncompliance (Qualified Opinion)

Condition:

The Division is not in compliance with federal regulations relating to provider health and safety standards.

Current Year Status:

Not Corrected. [Refer to current year finding 2021-017.]

Reason for finding's recurrence:

The sample selections consisted primarily of Non-Par providers, the Division will examine the current procedures to determine if there is a need to enhance the procedures or supplement the vendor resources to ensure the controls over monitoring provider health and safety standards for Non-Par provider facilities meet all requirements.

Name(s) of the contact person(s) responsible for corrective action:

Theodore Robinson

Planned completion date for corrective action plan:

December 31, 2023.



Reference Number: 2020-005
Prior Year Finding: 2018-013
Federal Agency: U.S. Department of Health and Human Services
State Department Name: Department of Health and Social Services
State Division Name: Division of Substance Abuse and Mental Health
Federal Program: Block Grants for Prevention and Treatment of Substance Abuse
CFDA Number: 93.959
Award Number and Year: 2B08TI010009-18 (10/1/2017 – 9/30/2019); 2B08TI010009-19 (10/1/2018 – 9/30/2020)
Compliance Requirement: Subrecipient Monitoring
Type of Finding: Material Weakness in Internal Control over Compliance, Material Noncompliance (Qualified Opinion)

Condition:

The Division did not furnish pertinent information to five of its subrecipients at the time of the subaward. Required missing elements included the Federal Award Identification Number (FAIN) for five of the subrecipients and the Catalog of Federal Domestic Assistance (CFDA) number and name for one of the subrecipients. In addition, for one of the subrecipients, the Data Universal Numbering System (DUNS) number was not obtained.

The Division was unable to provide support for the on-site monitoring of one subrecipient. On-site monitoring of this subrecipient was required per Division policies and procedures.

Last, the Division was unable to provide support that it ensured four of its subrecipients were audited as required by Subpart F – Audit Requirements. The Division could not produce evidence of verification that the subrecipient's Federal awards expended during the fiscal year were below the threshold set forth in § 200.501 Audit requirements.

Current Year Status:

Not Corrected. [Refer to current year finding 2021-024.]

Reason for finding's reoccurrence:

The Division will reevaluate its current process, implement proper controls, and perform additional training. The Division is updating the policies and procedures to ensure internal controls and compliance are met and will monitor all subrecipients funding which will ensure compliance to Federal compliance.

Name(s) of the contact person(s) responsible for corrective action:

Mequoria Bowden, Chief of Administration Office of the Secretary Administration

Planned completion date for corrective action plan:

December 30, 2022



Reference Number: 2020-006
Prior Year Finding: No
Federal Agency: U.S. Department of Health and Human Services
State Department Name: Department of Health and Social Services
State Division Name: Division of Substance Abuse and Mental Health
Federal Program: Opioid State Targeted Response
CFDA Number: 93.788
Award Number and Year: H79TI081735 (9/30/2018 – 9/29/2020)
Compliance Requirement: Subrecipient Monitoring
Type of Finding: Material Weakness in Internal Control over Compliance, Material Noncompliance (Qualified Opinion)

Condition:

The Division did not furnish the Federal Award Identification Number (FAIN) to four of its subrecipients at the time of the subaward.

The Division was unable to provide support for during the award monitoring of four subrecipients.

Current Year Status:

Not Corrected. [Refer to current year finding 2021-018.]

Reason for finding's recurrence:

The Division will reevaluate its current process, implement proper controls, and perform additional training. The Division is updating the policies and procedures to ensure internal controls and compliance are met and will monitor all subrecipients funding which will ensure compliance to Federal compliance.

Name(s) of the contact person(s) responsible for corrective action:

Mequoria Bowden, Chief of Administration Office of the Secretary Administration

Planned completion date for corrective action plan:

December 30, 2022



Reference Number: 2020-007
Prior Year Finding: No
Federal Agency: U.S. Department of Health and Human Services
State Department Name: Department of Health and Social Services
State Division Name: Division of Substance Abuse and Mental Health
Federal Program: Opioid State Targeted Response
CFDA Number: 93.788
Award Number and Year: H79TI081735 (9/30/2018 – 9/29/2020)
Compliance Requirement: Procurement
Type of Finding: Significant Deficiency in Internal Control over Compliance, Other Matters

Condition:

The Division was unable to provide any documentation to support compliance with the required state procurement processes for professional services contracts.

Current Year Status:

Not Corrected. [Refer to current year finding 2021-019.]

Reason for finding's reoccurrence:

The Division intends to update policies and procedures to document compliance with required state procurement processes for professional services; and ensure the regulations set forth in Del C. Chapter 69, and those by the Contracting and Purchasing Advisory Council, are complied with in full.

Name(s) of the contact person(s) responsible for corrective action:

Mequoria Bowden, Chief of Administration Office of the Secretary Administration

Planned completion date for corrective action plan:

December 30, 2022



Reference Number: 2020-008
Prior Year Finding: No
Federal Agency: U.S. Department of Health and Human Services
State Department Name: Department of Health and Social Services
State Division Name: Division of Substance Abuse and Mental Health
Federal Program: Opioid State Targeted Response
CFDA Number: 93.788
Award Number and Year: H79TI081735 (9/30/2018 – 9/29/2020)
Compliance Requirement: Suspension and Debarment
Type of Finding: Significant Deficiency in Internal Control over Compliance, Other Matters

Condition:

The Division did not determine the suspension and debarment status on a vendor with expenditures exceeding \$25,000 as required by federal regulations.

Current Year Status:

Not Corrected. [Refer to current year finding 2021-023.]

Reason for finding's reoccurrence:

The Policy and Procedure was updated by the contracts unit on 9/26/2022. Please see the language that was added below.

- a) Checking SAM (System for Award Management) Exclusions; or
- b) Collecting a certification from that vendor; or
- c) Adding a clause or condition to the covered transaction with that vendor

Name(s) of the contact person(s) responsible for corrective action:

Mequoria Bowden, Chief of Administration Office of the Secretary Administration

Planned completion date for corrective action plan:

November 1, 2022



Reference Number: 2020-009
Prior Year Finding: 2019-005
Federal Agency: U.S. Department of Health and Human Services
State Department Name: Department of Health and Social Services
State Division Name: Division of Medicaid and Medical Assistance
Federal Program: Medicaid Cluster
CFDA Number: 93.775, 93.777, 93.778
Award Number and Year: 1905DE5MAP (10/1/2018 – 9/30/2019); 2005DE5MAP (10/1/2019 – 9/30/2020)
Compliance Requirement: Eligibility
Type of Finding: Significant Deficiency in Internal Control over Compliance, Other Matters

Condition:

An eligibility determination was not performed in accordance with federal requirements and the State plan.

Current Year Status:

Corrective action was taken.



Reference Number: 2020-010
Prior Year Finding: No
Federal Agency: U.S. Department of Health and Human Services
State Department Name: Department of Health and Social Services
State Division Name: Division of Medicaid and Medical Assistance
Federal Program: Children's Health Insurance Program
CFDA Number: 93.767
Award Number and Year: 1905DE5021 (10/1/2018 – 12/31/2020); 2005DE5021 (10/1/2019 – 12/31/2020)
Compliance Requirement: Reporting – CMS-21 Quarterly Children's Health Insurance Program Statement of Expenditures for Title XXI
Type of Finding: Significant Deficiency in Internal Control over Compliance, Other Matters

Condition:

Errors were noted online items 1B "Premiums Up To 150% Of Poverty Level – Cost Sharing Offsets" and 1D "Premiums Over 150% Of Poverty Level – Cost Sharing Offsets". Amounts reported were \$133,186 and \$281,638, respectively. However, supporting documentation disclosed amounts of \$130,617 and \$276,207, respectively, resulting in overreporting of \$8,000.

Current Year Status:

Corrective action was taken



Reference Number: 2020-011
Prior Year Finding: 2019-001
Federal Agency: U.S. Department of Education
State Department Name: Department of Health and Social Services
State Division Name: Division of the Visually Impaired
Federal Program: Rehabilitation Services Vocational Rehabilitation Grants to States
CFDA Number: 84.126
Award Number and Year: H126A180010 (10/1/2018 – 9/30/2020); H126A180011 (10/2/2019 – 9/30/2021)
Compliance Requirement: Allowable Costs / Cost Principles – Time and Effort Reporting
Type of Finding: Significant Deficiency in Internal Control over Compliance, Other Matters

Condition:

Time and effort certifications were not documented in accordance with federal requirements. The Department/Division was unable to provide adequate support to validate actual payroll expenses charged to the federal program.

Current Year Status:

Corrective action was taken.



Reference Number: 2020-015
Prior Year Finding: No
Federal Agency: U.S. Department of Labor
State Department Name: Department of Labor
Federal Program: Unemployment Insurance
CFDA Number: 17.225
Award Number and Year: UI325911955A10 (10/1/2018 – 12/31/2021); UI340502055A10 (10/1/2019 – 12/31/2022)
Compliance Requirement: Special Tests – UI Program Integrity - Overpayments
Type of Finding: Significant Deficiency in Internal Control over Compliance, Other Matters

Condition:

A claimant received an overpayment, and the Department did not initiate required procedures for identifying the basis for the overpayment and offsetting debts resulting from the overpayment.

Current Year Status:

Not Corrected. [Refer to current year finding 2021-006.]

Reason for finding's reoccurrence:

Management recognizes the operational burden Covid-related volumes placed on the Overpayments unit. The need for more extensive procedural training, particularly among contract employees, is evident. To address this need, resources from NASWA (Fraud investigation training) and the Project Management Office (detection software in Modernization project) will be employed to augment internal BPC training initiatives.

Steps are also being taken to use a centralized, paperless system to ensure all notations, communications and documentation are easily accessible for processing purposes.

Name(s) of the contact person(s) responsible for corrective action: Carolyn Nasser,
Rachael Griffith

Planned completion date for corrective action plan: 03/31/2023