

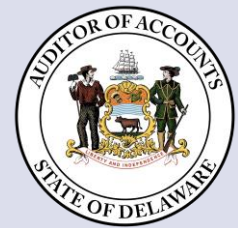
STATE OF DELAWARE

UNIFORM GUIDANCE SINGLE AUDIT REPORT

FISCAL YEAR ENDED JUNE 30, 2022

Report Summary

State of Delaware Uniform Guidance Single Audit Report Fiscal Year Ended June 30, 2022



What Was Performed?

Eighteen (18) federal programs across various state agencies were reviewed for the Uniform Guidance Single Audit for the Fiscal Year Ended June 30, 2022.

Why This Engagement?

The State of Delaware is required by federal law to have an annual audit of the administration of federal assistance programs. In fiscal year 2022, the state administered over \$4.4 billion in federal programs through various state agencies.

What Was Found?

There were 33 findings across the 18 major federal programs reviewed, and 9 of the programs received a qualified opinion. The findings include 15 material weaknesses and 18 significant deficiencies in internal controls. There were a total of 30 compliance related observations noted within the 33 findings.

State Department Name:	Number of Findings:	Material Weaknesses:	Significant Deficiencies:	Compliance
Department of Safety and Homeland Security	2	2	-	2
Delaware Technical Community College	4	-	4	4
Department of Education	1	-	1	1
Department of Health and Social Services	17	9	8	16
Department of Labor	8	3	5	6
Office of the Governor	1	1	-	1
Totals:	33	15	18	30

The FY21 State of Delaware Uniform Guidance Single Audit Reporting Package can be found on our website: [Click Here](#)

For any questions regarding the attached report, please contact OAOA_Comms@delaware.gov.

**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, 2022, 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, 2023. 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.	1.0%	0.3%
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	81.4%	72.0%
General Fund	Sustainable Energy Utility, Inc.	3.0%	0.5%
Aggregate Remaining Fund Information	Delaware Public Employees' Retirement System and Delaware Other Postemployment Benefits Fund Trust	98.9%	72.2%

Report on 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 and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified 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 management response as item 2022-001 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 management response as item 2022-002 to be a significant deficiency.

Report on 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*.


The State's Response to Findings

Government Auditing Standards require the auditor to perform limited procedures on the State's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The State's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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

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

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CliftonLarsonAllen LLP

Baltimore, Maryland
January 27, 2023



**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

Qualified and Unmodified Opinions

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, 2022. 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, 2022. 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.

Summary of Opinions

Major Federal Program/Cluster	Type of Opinion
Unemployment Insurance	Qualified
Coronavirus State and Local Fiscal Recovery Funds	Qualified
Education Stabilization Fund	Qualified
Low-Income Home Energy Assistance	Qualified
Children's Health Insurance Program	Qualified
Medicaid Cluster	Qualified
Opioid STR	Qualified
Block Grants for Prevention and Treatment of Substance Abuse	Qualified
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	Qualified

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Honorable Members of the State Legislature
State of Delaware

Major Federal Program/Cluster	Type of Opinion
Child Nutrition Cluster	Unmodified
Federal Transit Cluster	Unmodified
Formula Grants for Rural Areas	Unmodified
Coronavirus Relief Fund	Unmodified
Student Financial Assistance Cluster	Unmodified
Title I Grants to Local Educational Agencies	Unmodified
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	Unmodified
1332 State Innovation Waivers	Unmodified
Temporary Assistance for Needy Families	Unmodified

Qualified Opinions on the Nine Major Federal Programs Identified in the Preceding Table

In our opinion, except for the noncompliance described in the Basis for Qualified and Unmodified Opinions section of our report, the State complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the identified major programs for the year ended June 30, 2022.

Unmodified Opinion on Each of the Other Major Federal Programs Identified in the Preceding Table

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, 2022.

Basis for Qualified and Unmodified Opinions

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

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

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

Matters Giving Rise to Qualified Opinion on the Nine Major Federal Programs Identified in the Following Table

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	2022-004
Unemployment Insurance	17.225	Special Tests and Provisions - Employer Experience Rating	2022-005
Coronavirus State and Local Fiscal Recovery Funds	21.027	Reporting	2022-010
Low-Income Home Energy Assistance Program	93.568	Reporting - FFATA	2022-017
Children's Health Insurance Program	93.767	Period of Performance	2022-018
Medicaid Cluster; Children's Health Insurance Program	93.775, 93.777, 93.778, 93.767	Special Tests and Provisions - Managed Care Financial Audit	2022-020
Medicaid Cluster; Children's Health Insurance Program	93.775, 93.777, 93.778, 93.767	Special Tests and Provisions - Provider Eligibility	2022-021
Opioid STR	93.788	Reporting - FFATA	2022-022
Block Grants for Prevention and Treatment of Substance Abuse	93.959	Subrecipient Monitoring	2022-024
Block Grants for Prevention and Treatment of Substance Abuse	93.959	Reporting - FFATA	2022-025
Block Grants for Prevention and Treatment of Substance Abuse	93.959	Level of Effort	2022-026
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	Reporting - FFATA	2022-028
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	Subrecipient Monitoring	2022-029
Education Stabilization Fnd	84.425E,F	Reporting	2022-033

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the State's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists.

The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the State's compliance with the requirements of each major federal program as a whole.

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the State's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the State's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the State's internal control over compliance. Accordingly, no such opinion is expressed.

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

Other Matters

The results of our auditing procedures disclosed other 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 2022-003, 2022-006, 2022-007, 2022-008, 2022-009, 2022-011, 2022-012, 2022-013, 2022-014, 2022-015, 2022-016, 2022-023, 2022-027, 2022-030, 2022-031, and 2022-032. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on the State's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The State's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not 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 2022-004, 2022-005, 2022-010, 2022-017, 2022-018, 2022-020, 2022-021, 2022-022, 2022-024, 2022-025, 2022-026, 2022-028, 2022-029, and 2022-033 to be material weaknesses.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2022-003, 2022-006, 2022-007, 2022-008, 2022-009, 2022-011, 2022-012, 2022-013, 2022-014, 2022-015, 2022-016, 2022-019, 2022-023, 2022-027, 2022-030, 2022-031, and 2022-032 to be significant deficiencies.

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

Government Auditing Standards requires the auditor to perform limited procedures on the State's response to internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. the State's response was not subjected to the other 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 governmental activities, business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State as of and for the year ended June 30, 2022 and the related notes to the financial statements, which collectively comprise the State's basic financial statements.

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

We have issued our report thereon dated January 27, 2023, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole.

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 financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

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CliftonLarsonAllen LLP

Baltimore, Maryland
March 29, 2023

**STATE OF DELAWARE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2022**

		Assistance			
Federal Grantor/Program or Cluster Title		Listing	Federal Expenditures		Passed Through
		Number			to Subrecipients
U.S. Department of Agriculture					
COVID-19 - Delaware Criminal Case Scheduling Initiative	10.000	\$	4,674,180		\$ -
Delaware Criminal Case Scheduling Initiative	10.000		1,263,288		78,153
Total Delaware Criminal Case Scheduling Initiative				\$ 5,937,468	
Plant and Animal Disease, Pest Control, and Animal Care	10.025			2,862,166	-
Conservation Reserve Program	10.069			7,666	-
Agricultural Marketing Service	10.163			1,865	-
COVID-19 - Specialty Crop Block Grant Program - Farm Bill	10.170		63,915		-
Specialty Crop Block Grant Program - Farm Bill	10.170		459,047		400,739
Total Specialty Crop Block Grant Program - Farm Bill				522,962	
Cooperative Agreements with States for Intrastate Meat and Poultry Inspection	10.475			349,918	-
COVID-19 - Pandemic EBT	10.542			69,403,009	-
Food and Nutrition Service	10.535			318,253	-
COVID-19 - Pandemic EBT Administrative Costs	10.649			1,710,478	-
SNAP Cluster					
Supplemental Nutrition Assistance Program (SNAP)	10.551			323,183,065	-
COVID-19 - State Administrative Matching Grants for the Supplemental Nutritional Assistance Program	10.561		399,276		-
State Administrative Matching Grants for the Supplemental Nutritional Assistance Program	10.561		21,415,483		-
Total State Administrative Matching Grants for the Supplemental Nutritional Assistance Program				21,814,759	
Total SNAP Cluster				344,997,824	-
Child Nutrition Cluster					
School Breakfast Program	10.553			20,681,857	590,925
National School Lunch Program	10.555			65,093,713	1,382,530
COVID-19 - Summer Food Service Program for Children	10.559			9,803,723	3,153,058
Fresh Fruit and Vegetable Program	10.582			2,243,844	30,485
Total Child Nutrition Cluster				97,823,137	5,156,998
COVID-19 - WIC Special Supplemental Nutrition Program for Women, Infants and Children	10.557		933,572		-
WIC Special Supplemental Nutrition Program for Women, Infants and Children	10.557		6,589,267		-
Total WIC Special Supplemental Nutrition Program for Women, Infants and Children				7,522,839	
COVID-19 - Child and Adult Care Food Program	10.558		1,766,952		266,116
Child and Adult Care Food Program	10.558		15,131,549		15,131,549
Total Child and Adult Care Food Program				16,898,501	
State Administrative Expenses for Child Nutrition	10.560			913,164	-
Food Distribution Cluster					
Commodity Supplemental Food Program	10.565			194,934	-
COVID-19 - Emergency Food Assistance Program (Administrative Costs)	10.568		243,403		-
Emergency Food Assistance Program (Administrative Costs)	10.568		286,367		-
Total Emergency Food Assistance Program (Administrative Costs)				529,770	
Emergency Food Assistance Program (Food Commodities)	10.569			2,145,291	-
Total Food Distribution Cluster				2,869,995	-
WIC Farmers' Market Nutrition Program (FMCP)	10.572			69,895	-
Senior Farmers' Market Nutrition Program	10.576			24,763	-
Child Nutrition Discretionary Grants Limited Availability	10.579			88,382	-
Food for Education	10.608			6,406,309	-

See accompanying Notes to Schedule of Expenditures of Federal Awards.

STATE OF DELAWARE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2022

Federal Grantor/Program or Cluster Title	Assistance Listing Number	Federal Expenditures	Passed Through to Subrecipients
U.S. Department of Agriculture (continued)			
Cooperative Forestry Assistance	10.664	\$ 115,081	\$ -
Urban and Community Forestry Program	10.675	244,830	-
Forest Stewardship Program	10.678	118,749	31,895
Forest Health Protection	10.680	58,650	-
National Fish and Wildlife Foundation	10.683	337,673	-
Total U.S. Department of Agriculture		559,603,577	21,065,450
U.S. Department of Commerce			
<i>Economic Development Cluster</i>			
COVID-19 - Economic Adjustment Assistance	11.307	\$ 1,003,000	-
Economic Adjustment Assistance	11.307	85,604	-
Total Economic Adjustment Assistance		1,088,604	-
Total Economic Development Cluster		1,088,604	-
Interjurisdictional Fisheries Act of 1986	11.407	9,644	-
Sea Grant Support	11.417	9,864	-
Coastal Zone Management Administration Awards	11.419	1,416,443	83,794
COVID-19 - Unallied Management Projects	11.454	779,928	-
Unallied Science Program	11.472	275,131	-
Atlantic Coastal Fisheries Cooperative Management Act	11.474	196,173	20,999
COVID-19 - Manufacturing Extension Partnership	11.611	14,268	-
Manufacturing Extension Partnership	11.611	623,655	-
Total Manufacturing Extension Partnership		637,923	-
Total U.S. Department of Commerce		4,413,710	104,793
U.S. Department of Defense			
Beach Erosion Control Projects	12.101	192,875	-
State Memorandum of Agreement Program for the Reimbursement of Technical Services	12.113	14,274	-
Military Construction - National Guard	12.400	3,243,695	-
National Guard Military Operations and Maintenance (O&M) Projects	12.401	19,442,229	-
Community Economic Adjustment Assistance for Compatible Use and Joint Land Use Studies	12.610	38,693	-
Total U.S. Department of Defense		22,931,766	-
U.S. Department of Housing and Urban Development			
<i>CDBG - Entitlement Grants Cluster</i>			
COVID-19 - Community Development Block Grants/Entitlement Grants	14.218	(9,595)	-
Total CDBG - Entitlement Grants Cluster		(9,595)	-
Fair Housing Assistance Program State and Local	14.401	128,500	-
Total U.S. Department of Housing and Urban Development		118,905	-
U.S. Department of the Interior			
Hurricane Sandy Disaster Relief – Coastal Resiliency Grants.	15.153	38,868	-
<i>Fish and Wildlife Cluster</i>			
Sport Fish Restoration	15.605	2,686,775	-
Wildlife Restoration and Basic Hunter Education	15.611	4,081,018	58,646
Total Fish and Wildlife Cluster		6,767,793	58,646
Fish and Wildlife Management Assistance	15.608	2,982	-
Coastal Wetlands Planning, Protection and Restoration	15.614	880,305	-
Cooperative Endangered Species Conservation Fund	15.615	13,619	-
Landowner Incentive	15.633	3,025	-
State Wildlife Grants	15.634	907,714	206,612
Endangered Species Conservation Recovery Implementation Funds	15.657	10,270	-
Hurricane Sandy Disaster Relief Activities-FWS	15.677	13,507	-
Historic Preservation Fund Grants-In-Aid	15.904	468,823	420
Outdoor Recreation Acquisition, Development and Planning	15.916	1,313,418	-
National Park Service Conservation, Protection, Outreach, and Education	15.954	5,000	-
Total U.S. Department of the Interior		10,425,324	265,678

See accompanying Notes to Schedule of Expenditures of Federal Awards.

STATE OF DELAWARE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2022

Federal Grantor/Program or Cluster Title	Assistance Listing Number	Federal Expenditures	Passed Through to Subrecipients
U.S. Department of Justice			
Sexual Assault Services Formula Program	16.017	\$ 427,778	\$ 410,691
COVID-19 - Coronavirus Emergency Supplemental Funding Program	16.034	676,034	244,346
Juvenile Justice and Delinquency Prevention Program	16.540	348,248	232,497
Missing Children's Assistance	16.543	223,867	-
Title V Delinquency Prevention Program	16.548	61,248	37,934
State Justice Statistics Program for Statistical Analysis Centers	16.550	67,956	-
National Criminal History Improvement Program (NCHIP)	16.554	83,411	-
Crime Victim Assistance	16.575	6,970,864	5,918,085
Crime Victim Compensation	16.576	991,693	-
Crime Victim Assistance/Discretionary Grants	16.582	24,763	-
Drug Court Discretionary Grant Program	16.585	21,901	-
Violence Against Women Formula Grants	16.588	989,488	483,029
Residential Substance Abuse Treatment for State Prisoners	16.593	153,773	-
State Criminal Alien Assistance Program	16.606	890	-
Project Safe Neighborhoods	16.609	82,677	63,855
Public Safety Partnership and Community Policing Grants	16.710	71,499	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2,387,085	957,200
DNA Backlog Reduction Program	16.741	463,031	-
Paul Coverdell Forensic Sciences Improvement Grant Program	16.742	248,192	-
Harold Rogers Prescription Drug Monitoring Program	16.754	272,355	181,440
Second Chance Act Reentry Initiative	16.812	968,946	284,543
NICS Act Record Improvement Program	16.813	90,131	-
John R. Justice Prosecutors and Defenders Incentive Act	16.816	63,414	-
Postconviction Testing of DNA Evidence	16.820	96,623	96,202
National Sexual Assault Kit Initiative	16.833	146,052	-
Body Worn Camera Policy and Implementation	16.835	630,000	630,000
Comprehensive Opioid, Stimulant, and Substance Abuse Program	16.838	277,122	179,283
Equitable Sharing Program	16.922	289,993	-
Total U.S. Department of Justice		17,129,034	9,719,105
U.S. Department of Labor			
Labor Force Statistics	17.002	583,941	-
Compensation and Working Conditions	17.005	79,230	-
<i>Employment Services Cluster</i>			
Employment Service/Wagner-Peyser Funded Activities	17.207	1,678,787	-
Jobs for Veterans State Grants	17.801	477,847	-
Total Employment Services Cluster		2,156,634	-
COVID-19 - Unemployment Insurance	17.225	\$ 4,066,097	-
Unemployment Insurance	17.225	109,494,236	-
Total Unemployment Insurance		113,560,333	-
Senior Community Service Employment Program	17.235	1,450,759	-
Trade Adjustment Assistance	17.245	121,403	-
<i>WIOA Cluster</i>			
WIOA Adult Program	17.258	2,850,938	-
WIOA Youth Activities	17.259	1,989,367	-
WIOA Dislocated Worker Formula Grants	17.278	2,157,479	-
Total WIOA Cluster		6,997,784	-
H-1B Job Training Grants	17.268	2,329,532	-
Reentry Employment Opportunities	17.270	9,385	-
Work Opportunity Tax Credit Program (WOTC)	17.271	76,990	-
Temporary Labor Certification for Foreign Workers	17.273	5,727	-
COVID-19 - WIOA National Dislocated Worker Grants / WIA National Emergency Grants	17.277	290,275	-
WIOA National Dislocated Worker Grants / WIA National Emergency Grants	17.277	14,807	-
Total WIOA National Dislocated Worker Grants / WIA National Emergency Grants		305,082	-

See accompanying Notes to Schedule of Expenditures of Federal Awards.

STATE OF DELAWARE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2022

Federal Grantor/Program or Cluster Title	Assistance Listing Number	Federal Expenditures	Passed Through to Subrecipients
U.S. Department of Labor (continued)			
Apprenticeship USA Grants	17.285	\$ 1,042,111	\$ -
Consultation Agreements	17.504	428,097	-
Total U.S. Department of Labor		129,147,008	-
U.S. Department of Transportation			
Airport Improvement Program	20.106	136,950	-
Highway Research and Development Program	20.200	12,979	-
<i>Highway Planning and Construction Cluster</i>			
Highway Planning and Construction	20.205	248,463,304	-
Recreational Trails Program, Revised	20.219	21,442	-
Total Highway Planning and Construction Cluster		248,484,746	-
Highway Training and Education	20.215	150,000	-
<i>FMCSA Cluster</i>			
Motor Carrier Safety Assistance	20.218	1,437,346	-
Motor Carrier Safety Assistance High Priority Activities Grants and Cooperative Agreements	20.237	1,320,036	-
Total FMCSA Cluster		2,757,382	-
Commercial Driver's License Program Implementation Grant	20.232	17,660	-
Fuel Tax Evasion-Intergovernmental Enforcement Effort	20.240	10,490	-
<i>Federal Transit Cluster</i>			
COVID-19 - Federal Transit Formula Grants	20.507	\$ 16,905,899	-
Federal Transit Formula Grants	20.507	25,285,490	-
Total Federal Transit Formula Grants		42,191,389	-
State of Good Repair Grants Program	20.525	88,248	-
Bus and Bus Facilities Formula, Competitive, and Low or No Emissions Programs	20.526	10,911,996	-
Total Federal Transit Cluster		53,191,633	-
COVID-19 - Formula Grants for Rural Areas and Tribal Transit Program	20.509	14,404,008	-
<i>Transit Services Programs Cluster</i>			
COVID-19 - Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	7,730	-
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	434,209	-
Total Enhanced Mobility of Seniors and Individuals with Disabilities		441,939	-
Total Transit Services Programs Cluster		441,939	-
Public Transportation Innovation	20.530	187,026	-
<i>Highway Safety Cluster</i>			
State and Community Highway Safety	20.600	1,937,767	286,758
National Priority Safety Programs	20.616	1,653,899	153,715
Total Highway Safety Cluster		3,591,666	440,473
Alcohol Open Container Requirements	20.607	934,226	209,650
National Highway Traffic Safety Administration (NHTSA) Discretionary Safety Grants and Cooperative Agreements	20.614	42,836	-
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	53,656	14,899
Total U.S. Department of Transportation		324,417,197	665,022
Department of the Treasury			
COVID-19 - Coronavirus Relief Fund	21.019	157,423,440	10,427,380
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	179,545,694	55,714,115
Total Department of the Treasury		336,969,134	66,141,495
Equal Employment Opportunity Commission			
Employment Discrimination Title VII of the Civil Rights Act of 1964	30.001	341,574	-
Total Equal Employment Opportunity Commission		341,574	-
Federal Communications Commission			
Emergency Connectivity Fund Program	32.009	910,000	-
Total Federal Communications Commission		910,000	-

See accompanying Notes to Schedule of Expenditures of Federal Awards.

STATE OF DELAWARE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2022

Federal Grantor/Program or Cluster Title	Assistance Listing Number	Federal Expenditures	Passed Through to Subrecipients
National Endowment for the Arts			
COVID-19 - Promotion of the Arts Partnership Agreements	45.025	\$ 193	\$ -
Promotion of the Arts Partnership Agreements	45.025	1,511,323	-
Total Promotion of the Arts Partnership Agreements		\$ 1,511,516	-
Total National Endowment for the Arts		1,511,516	-
Institute of Museum and Library Services			
COVID-19 - Grants to States	45.310	1,352,744	-
Grants to States	45.310	1,308,176	-
Total Grants to States		2,660,920	-
Total Institute of Museum and Library Services		2,660,920	-
National Science Foundation			
Education and Human Resources	47.076	135,805	-
Total National Science Foundation		135,805	-
Small Business Administration			
State Trade Expansion	59.061	250,537	-
Total Small Business Administration		250,537	-
U.S. Environmental Protection Agency			
Air Pollution Control Program Support	66.001	948,669	-
State Indoor Radon Grants	66.032	89,901	-
Surveys Studies, Research, Investigations Demonstrations, and Special Purpose Activities Relating to the Clean Air Act	66.034	163,543	-
State Clean Diesel Grant Program	66.040	56,648	-
COVID-19 - Multipurpose Grants to States and Tribes	66.204	28,091	-
Multipurpose Grants to States and Tribes	66.204	145,298	-
Total Multipurpose Grants to States and Tribes		173,389	-
Water Pollution Control State, Interstate, and Tribal Program Support	66.419	1,329,750	131,207
State Public Water System Supervision	66.432	553,178	-
State Underground Water Source Protection	66.433	12,349	-
Lead Testing in School and Child Care Program Drinking Water (SDWA 1464(d))	66.444	139,882	-
Water Quality Management Planning	66.454	87,491	-
Clean Water State Revolving Fund Cluster			
Capitalization Grants for Clean Water State Revolving Funds	66.458	7,779,000	-
Total Clean Water State Revolving Fund Cluster		7,779,000	-
Nonpoint Source Implementation Grants	66.460	1,004,208	417,758
Regional Wetland Program Development Grants	66.461	143,047	885
Chesapeake Bay Program	66.466	3,496,346	1,939,362
Drinking Water State Revolving Fund Cluster			
Capitalization Grants for Drinking Water State Revolving Fund	66.468	7,130,420	244,305
Total Drinking Water State Revolving Fund Cluster		7,130,420	244,305
Beach Monitoring and Notification Program Implementation Grants	66.472	167,550	67,279
Performance Partnership Grants	66.605	602,648	-
Hazardous Waste Management State Program Support	66.801	884,475	-
	66.802	311,094	-
Superfund State, Political Subdivision, and Indian Tribe Site-Specific Cooperative Agreements			
Underground Storage Tank Prevention, Detection and Compliance Program	66.804	281,651	-
Leaking Underground Storage Tank Trust Fund Corrective Action Program	66.805	452,230	-
Superfund State and Indian Tribe Core Program Cooperative Agreements	66.809	141,172	-
State and Tribal Response Program Grants	66.817	340,204	-
Total U.S. Environmental Protection Agency		26,288,845	2,800,796
U.S. Department of Energy			
State Energy Program	81.041	89,724	924
Weatherization Assistance for Low-Income Persons	81.042	855,425	807,836
Total U.S. Department of Energy		945,149	808,760

See accompanying Notes to Schedule of Expenditures of Federal Awards.

STATE OF DELAWARE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2022

Federal Grantor/Program or Cluster Title	Assistance Listing Number	Federal Expenditures	Passed Through to Subrecipients
U.S. Department of Education			
Adult Education - Basic Grants to States	84.002	\$ 2,034,533	\$ 301,680
<i>Student Financial Assistance Programs Cluster</i>			
Federal Supplemental Educational Opportunity Grants	84.007	701,888	-
Federal Work-Study Program	84.033	103,283	-
Federal Pell Grant Program	84.063	18,222,258	-
Federal Direct Student Loans	84.268	14,279,146	-
Total Student Financial Assistance Programs Cluster		33,306,575	-
Title I Grants to Local Educational Agencies	84.010	49,041,025	-
Migrant Education State Grant Program	84.011	337,220	-
Title I State Agency Program for Neglected and Delinquent Children and Youth	84.013	436,682	-
<i>Special Education Cluster (IDEA)</i>			
Special Education Grants to States (IDEA, Part B)	84.027	36,633,284	13,603
Special Education Preschool Grants (IDEA Preschool)	84.173	1,193,272	-
Total Special Education Cluster (IDEA)		37,826,556	13,603
Higher Education Institutional Aid	84.031	297,320	-
<i>TRIO Cluster</i>			
TRIO Talent Search	84.044	357,045	-
TRIO Upward Bound	84.047	1,713,016	-
Total TRIO Cluster		2,070,061	-
Career and Technical Education -- Basic Grants to States	84.048	5,663,934	-
Rehabilitation Services Vocational Rehabilitation Grants to States	84.126	11,087,882	-
Migrant Education Coordination Program	84.144	146,130	-
Rehabilitation Services Independent Living Services for Older Individuals Who are Blind	84.177	197,352	-
Special Education-Grants for Infants and Families	84.181	2,049,593	-
Supported Employment Services for Individuals with the Most Significant Disabilities	84.187	222,994	-
Education for Homeless Children and Youth	84.196	296,568	-
Charter Schools	84.282	103,210	-
Twenty-First Century Community Learning Centers	84.287	6,227,458	3,299,356
Education Research, Development and Dissemination	84.305	208,711	-
Special Education - State Personnel Development	84.323	612,025	-
Special Education - Personnel Development to Improve Services and Results for Children with Disabilities	84.325	199,476	-
Special Education Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities	84.326	59,895	-
Rural Education	84.358	143,491	-
English Language Acquisition State Grants	84.365	1,272,829	-
Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	84.367	8,903,564	-
Grants for State Assessments and Related Activities	84.369	3,582,507	-
School Improvement Grants	84.377	395,638	-
Student Support and Academic Enrichment Program	84.424	4,209,274	-
<i>Education Stabilization Fund</i>			
COVID-19 - Governor's Emergency Education Relief Fund	84.425C	4,086,412	-
COVID-19 - Elementary and Secondary School Emergency Relief Fund II	84.425D	88,288,371	-
COVID-19 - HEERF Student Aid Portion	84.425E	7,531,534	-
COVID-19 - HEERF Institutional Portion	84.425F	18,654,989	-
COVID-19 - Coronavirus Response and Relief Supplemental Appropriations Act, 2021 - Emergency Assistance to Non-Public Schools (CRRSA EANS)	84.425R	1,436,388	-
COVID-19 - Elementary and Secondary School Emergency Relief Fund III	84.425U	60,670,630	-
COVID-19 - Homeless Elementary Secondary School Emergency Relief	84.425W	122,127	-
Total Education Stabilization Fund		180,790,451	-
Randolph-Sheppard -- Financial Relief and Restoration Payments	84.426	56,657	-
Total U.S. Department of Education		351,779,611	3,614,639
U.S. Election Assistance Commission			
2018 HAVA Election Security Grants	90.404	31,712	-
Total U.S. Election Assistance Commission		31,712	-

See accompanying Notes to Schedule of Expenditures of Federal Awards.

STATE OF DELAWARE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2022

Federal Grantor/Program or Cluster Title	Assistance Listing Number	Federal Expenditures	Passed Through to Subrecipients
U.S. Department of Health and Human Services			
Department of Health and Human Services	93.000	\$ 30,432	\$ -
COVID-19 - Special Programs for the Aging, Title VII, Chapter 3, Programs for Prevention of Elder Abuse, Neglect, and Exploitation	93.041	\$ 287,174	-
Special Programs for the Aging, Title VII, Chapter 3, Programs for Prevention of Elder Abuse, Neglect, and Exploitation	93.041	<u>17,852</u>	-
Total Special Programs for the Aging, Title VII, Chapter 3, Programs for Prevention of Elder Abuse, Neglect, and Exploitation		305,026	
COVID-19 - Special Programs for the Aging, Title VII, Chapter 2, Long Term Care Ombudsman Services for Older Individuals	93.042	17,187	-
Special Programs for the Aging, Title VII, Chapter 2, Long Term Care Ombudsman Services for Older Individuals	93.042	<u>94,065</u>	-
Total Special Programs for the Aging, Title VII, Chapter 2, Long Term Care Ombudsman Services for Older Individuals		111,252	
Special Programs for the Aging, Title III, Part D, Disease Prevention and Health Promotion Services	93.043	40,540	-
Aging Cluster			
COVID-19 - Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	271,159	-
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	<u>1,834,840</u>	-
Total Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers		2,105,999	
COVID-19 - Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045	1,073,910	-
Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045	<u>2,729,836</u>	-
Total Special Programs for the Aging, Title III, Part C, Nutrition Services		3,803,746	
Nutrition Services Incentive Program	93.053	<u>481,698</u>	-
Total Aging Cluster		6,391,443	-
COVID-19 - Special Programs for the Aging, Title IV, and Title II, Discretionary Projects	93.048	(82,485)	-
Special Programs for the Aging, Title IV, and Title II, Discretionary Projects	93.048	<u>292,076</u>	-
Total Special Programs for the Aging, Title IV, and Title II, Discretionary Projects		209,591	
COVID-19 - National Family Caregiver Support, Title III, Part E	93.052	54,353	-
National Family Caregiver Support, Title III, Part E	93.052	<u>542,951</u>	-
Total National Family Caregiver Support, Title III, Part E		597,304	
Public Health Emergency Preparedness	93.069	5,047,943	-
Medical Enrollment Assistance Program	93.071	51,063	-
Cooperative Agreements to Promote Adolescent Health through School-Based HIV/STD Prevention and School-Based Surveillance	93.079	98,398	-
Affordable Care Act (ACA) Personal Responsibility Education Program	93.092	251,530	-
Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances (SED)	93.104	1,157,326	-
Maternal and Child Health Federal Consolidated Programs	93.110	684,313	-
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	172,042	-
Emergency Medical Services for Children	93.127	106,288	-
Cooperative Agreements to States/Territories for the Coordination and Development of Primary Care Offices	93.130	148,549	-
Projects for Assistance in Transition from Homelessness (PATH)	93.150	397,255	365,029
Grants To States for Loan Repayment Program	93.165	43,750	-
Childhood Lead Poisoning Prevention Program (CLPPP)	93.197	553,714	-
Family Planning Services	93.217	1,883,698	-
	93.243	4,095,970	413,276
Substance Abuse and Mental Health Services Projects of Regional and National Significance			
Universal Newborn Hearing Screening	93.251	182,251	-
COVID-19 - Immunization Cooperative Agreements	93.268	13,408,051	-
Immunization Cooperative Agreements	93.268	<u>15,329,577</u>	-
Total Immunization Cooperative Agreements		28,737,628	
Viral Hepatitis Prevention and Control	93.270	78,155	-

See accompanying Notes to Schedule of Expenditures of Federal Awards.

STATE OF DELAWARE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2022

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 - Epidemiology and Laboratory Capacity for Infectious Diseases	93.323	\$ 34,151,838		\$ -
Epidemiology and Laboratory Capacity for Infectious Diseases	93.323	<u>20,902,741</u>		-
Total Epidemiology and Laboratory Capacity for Infectious Diseases			\$ 55,054,579	
State Health Insurance Assistance Program	93.324		255,024	-
Behavioral Risk Factor Surveillance System	93.336		309,458	-
COVID-19 - Public Health Crisis Response Award	93.354	352,463		-
Public Health Crisis Response Award	93.354	<u>795,308</u>		-
Total Public Health Crisis Response Award			1,147,771	
ACL Independent Living State Grants	93.369		337,776	-
National and State Tobacco Control Program	93.387		1,079,478	-
COVID-19 - Activities to Support State, Tribal, Local and Territorial (STLT) Health Department Response to Public Health or Healthcare Crises	93.391	1,581		-
Activities to Support State, Tribal, Local and Territorial (STLT) Health Department Response to Public Health or Healthcare Crises	93.391	<u>737,357</u>		-
Total Activities to Support State, Tribal, Local and Territorial (STLT) Health Department Response to Public Health or Healthcare Crises			738,938	
COVID-19 - Strengthening Public Health Systems and Services through National Partnerships to Improve and Protect the Nation's Health	93.421	3,411		-
Strengthening Public Health Systems and Services through National Partnerships to Improve and Protect the Nation's Health	93.421	<u>65,878</u>		-
Total Strengthening Public Health Systems and Services through National Partnerships to Improve and Protect the Nation's Health			69,289	
1332 State Innovation Waivers	93.423		23,823,973	-
Improving the Health of Americans through Prevention and Management of Diabetes and Heart T	93.426		1,885,585	-
Well-Integrated Screening and Evaluation for Women Across the Nation (WISEWOMAN)	93.436		376,649	-
Title IV-E Kinship Navigator Program	93.471		208,756	-
Preventing Maternal Deaths: Supporting Maternal Mortality Review Committees	93.478		120,527	-
Community Health Workers for Public Health Response and Resilient	93.495		54,139	-
COVID-19 - Promoting Safe and Stable Families	93.556	157,761		-
Promoting Safe and Stable Families	93.556	<u>1,358,664</u>		-
Total Promoting Safe and Stable Families			1,516,425	
Temporary Assistance for Needy Families	93.558		33,308,089	-
Child Support Enforcement	93.563		17,625,457	-
Refugee and Entrant Assistance State/Replacement Designee Administered Programs	93.566		101,980	-
COVID-19 - Low-Income Home Energy Assistance	93.568	2,460,960		2,211,713
Low-Income Home Energy Assistance	93.568	<u>7,793,038</u>		6,273,817
Total Low-Income Home Energy Assistance			10,253,998	
COVID-19 - Community Services Block Grant	93.569	2,445,760		-
Community Services Block Grant	93.569	<u>4,050,306</u>		67,279
Total Community Services Block Grant			6,496,066	
CCDF Cluster				
COVID-19 - Child Care and Development Block Grant	93.575	88,210,837		-
Child Care and Development Block Grant	93.575	<u>25,607,958</u>		-
Total Child Care and Development Block Grant			113,818,795	
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596		<u>7,197,452</u>	-
Total CCDF Cluster			121,016,247	-
COVID-19 - State Court Improvement Program	93.586	55,854		-
State Court Improvement Program	93.586	<u>315,451</u>		-
Total State Court Improvement Program			371,305	
Grants to States for Access and Visitation Programs	93.597		85,778	-
COVID-19 - Chafee Education and Training Vouchers Program (ETV)	93.599	65,637		-
Chafee Education and Training Vouchers Program (ETV)	93.599	<u>94,536</u>		-
Total Chafee Education and Training Vouchers Program (ETV)			160,173	

See accompanying Notes to Schedule of Expenditures of Federal Awards.

STATE OF DELAWARE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2022

Federal Grantor/Program or Cluster Title	Assistance Listing Number	Federal Expenditures		Passed Through to Subrecipients
U.S. Department of Health and Human Services (continued)				
Head Start Cluster				
COVID-19 - Head Start	93.600	\$	12,238	\$ -
Head Start	93.600		2,821,715	1,713,078
Total Head Start			\$ 2,833,953	
Total Head Start Cluster			2,833,953	1,713,078
Adoption and Legal Guardianship Incentive Payments	93.603		85,049	-
Developmental Disabilities Basic Support and Advocacy Grants	93.630		681,484	304,494
Section 9813: State Planning Grants for Qualifying Community-Based Mobile Crisis Intervention Services	93.639		117,654	-
Children's Justice Grants to States	93.643		128,944	-
COVID-19 - Stephanie Tubbs Jones Child Welfare Services Program	93.645		116,819	-
Stephanie Tubbs Jones Child Welfare Services Program	93.645		793,198	-
Total Stephanie Tubbs Jones Child Welfare Services Program			910,017	
Foster Care Title IV-E	93.658		2,207,840	-
Adoption Assistance	93.659		4,306,050	-
Substance Use-Disorder Prevention that Promotes Opioid Recovery and Treatment (SUPPORT) for Patients and Communities Act	93.664		1,547,497	-
COVID-19 - Emergency Grants to Address Mental and Substance Use Disorders During COVID-19	93.665		1,066,982	337,958
Social Services Block Grant	93.667		4,219,845	-
Child Abuse and Neglect State Grants	93.669		252,087	-
COVID-19 - Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services	93.671		174,993	169,484
Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services	93.671		789,807	764,945
Total Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services			964,800	
COVID-19 - Chafee Foster Care Independence Program	93.674		433,524	-
Chafee Foster Care Independence Program	93.674		500,566	-
Total Chafee Foster Care Independence Program			934,090	
Preventive Health and Health Services Block Grant funded solely with Prevention and Public Health Funds (PPHF)	93.758		274,331	-
Children's Health Insurance Program	93.767		29,389,334	-
Medicaid Cluster				
State Medicaid Fraud Control Units	93.775		1,659,717	-
State Survey and Certification of Health Care Providers and Suppliers	93.777		2,364,427	-
Medical Assistance Program	93.778		2,051,619,714	-
Total Medicaid Cluster			2,055,643,858	-
Opioid STR	93.788		19,413,362	5,954,777
COVID-19 - Maternal, Infant and Early Childhood Home Visiting Grant	93.870		4,293	-
Maternal, Infant and Early Childhood Home Visiting Grant	93.870		4,200,146	-
Total Maternal, Infant and Early Childhood Home Visiting Grant			4,204,439	
COVID-19 - National Bioterrorism Hospital Preparedness Program	93.889		149,398	-
National Bioterrorism Hospital Preparedness Program	93.889		876,079	-
Total National Bioterrorism Hospital Preparedness Program			1,025,477	

See accompanying Notes to Schedule of Expenditures of Federal Awards.

STATE OF DELAWARE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2022

Federal Grantor/Program or Cluster Title	Assistance Listing Number	Federal Expenditures	Passed Through to Subrecipients
U.S. Department of Health and Human Services (continued)			
Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations	93.898	\$ 2,055,485	\$ -
Foster Grandparent Program	93.912	167,065	-
Grants to States for Operation of State Offices of Rural Health	93.913	278,418	-
HIV Care Formula Grants	93.917	5,213,024	-
HIV Prevention Activities Health Department Based	93.940	1,278,823	-
Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance	93.944	412,491	-
Cooperative Agreements to Support State-Based Safe Motherhood and Infant Health Initiative Programs	93.946	365,230	-
COVID-19 - Block Grants for Community Mental Health Services	93.958	\$ 52,939	-
Block Grants for Community Mental Health Services	93.958	<u>715,373</u>	32,212
Total Block Grants for Community Mental Health Services		768,312	
COVID-19 - Block Grants for Prevention and Treatment of Substance Abuse	93.959	348,271	-
Block Grants for Prevention and Treatment of Substance Abuse	93.959	<u>5,694,496</u>	560,283
Total Block Grants for Prevention and Treatment of Substance Abuse		6,042,767	
Sexually Transmitted Diseases (STD) Prevention and Control Grants	93.977	1,185,943	-
COVID-19 - Mental Health Disaster Assistance and Emergency Mental Health	93.982	685,584	6,008
Maternal and Child Health Services Block Grant to the States	93.994	<u>2,055,707</u>	-
Total U.S. Department of Health and Human Services		<u>2,478,488,863</u>	<u>19,174,353</u>
Corporation for National and Community Service			
State Commissions	94.003	258,966	-
AmeriCorps	94.006	750,480	702,049
Training and Technical Assistance	94.009	216,701	-
<i>Foster Grandparent/Senior Companion Cluster</i>			
Foster Grandparent Program	94.011	<u>153,597</u>	-
Total Foster Grandparent/Senior Companion Cluster		<u>153,597</u>	
Total Corporation for National and Community Service		<u>1,379,744</u>	<u>702,049</u>
Executive Office of the President			
High Intensity Drug Trafficking Program	95.001	<u>65,309</u>	-
Total Executive Office of the President		<u>65,309</u>	<u>-</u>
Social Security Administration			
<i>Disability Insurance/SSI Cluster</i>			
Social Security Disability Insurance	96.001	<u>4,855,055</u>	-
Total Disability Insurance/SSI Cluster		<u>4,855,055</u>	-
Total Social Security Administration		<u>4,855,055</u>	<u>-</u>
U.S. Department Homeland Security			
Non-Profit Security Program	97.008	185,344	185,344
Boating Safety Financial Assistance	97.012	680,522	-
Community Assistance Program State Support Services Element (CAP-SSSE)	97.023	59,219	-
Flood Mitigation Assistance	97.029	43,581	-
COVID-19 - Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	137,569,861	17,184,667
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	<u>1,667,769</u>	-
Total Crisis Disaster Grants - Public Assistance (Presidentially Declared Disasters)		139,237,630	
National Dam Safety Program	97.041	45,898	31,968
COVID-19 - Emergency Management Performance Grants	97.042	232,369	-
Emergency Management Performance Grants	97.042	<u>3,390,619</u>	967,789
Total Emergency Management Performance Grants		3,622,988	

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**STATE OF DELAWARE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2022**

Federal Grantor/Program or Cluster Title	Assistance Listing Number	Federal Expenditures	Passed Through to Subrecipients
U.S. Department Homeland Security (continued)			
Assistance to Firefighters Grant	97.044	\$ 83,426	\$ -
Cooperating Technical Partners	97.045	86,271	-
Pre-Disaster Mitigation	97.047	210,047	210,047
COVID-19 - Presidential Declared Disaster Assistance to Individuals and Households - Other Needs	97.050	1,226,373	-
Port Security Grant Program	97.056	421,528	-
Homeland Security Grant Program	97.067	4,294,055	372,760
Total U.S. Department Homeland Security		150,196,882	18,952,575
Research and Development Cluster			
U.S. Department of Commerce			
Coastal Zone Management Estuarine Research	11.420	598,308	10,000
National Science Foundation			
Integrative Activities	47.083	265,731	-
U.S. Department of Energy			
Conservation Research and Development	81.086	20,000	-
U.S. Department of Health and Human Services			
Food and Drug Administration Research	93.103	394,970	13,899
Injury Prevention and Control Research and State and Community Based Programs	93.136	6,429,874	-
Pharmacology, Physiology, and Biological Chemistry Research	93.859	125,926	-
Total Research and Development Cluster		7,834,809	23,899
Total Expenditures of Federal Awards		\$ 4,432,831,986	\$ 144,038,614

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, 2022

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 State of Delaware under programs of the federal government for the year ended June 30, 2022. 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% 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 (DTCC) by financial institutions during the year ended June 30, 2022 totaled \$33,306,575. This amount is included on the SEFA (Assistance Listing # 84.007, 84.033, 84.063, 84.268).

DTCC is responsible only for the performance of certain administration 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 DTCC under these programs.

STATE OF DELAWARE
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2022

NOTE 3 REVOLVING LOAN FUNDS

The Clean Water State Revolving Fund and the Drinking Water State Revolving Fund are revolving loan funds. Federal 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, 2022:

	Assistance Listing	Amounts Outstanding
Clean Water State Revolving Fund	66.458	\$ 248,596,733
Drinking Water State Revolving Fund	66.468	100,203,811
Total		<u>\$ 348,800,544</u>

The amounts shown as outstanding for Assistance Listing numbers 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, 2022 were \$113,560,333.

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	\$ 69,403,009
Supplemental Nutrition Assistance Program (EBT Payments)	10.551	323,183,065
Emergency Food Assistance Program (Commodities)	10.569	2,145,291
Food for Education (Commodities)	10.608	6,406,309
Immunization Grants (Vaccines)	93.268	11,583,708

NOTE 6 SUBRECIPIENTS

The amount of expenditures paid to subrecipients was \$144,038,614 for the year ended June 30, 2022.

STATE OF DELAWARE
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2022

NOTE 7 RESEARCH AND DEVELOPMENT

The total direct amount expended for Research and Development was \$7,834,809 for the year ended June 30, 2022.

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, 2022, \$120,865,101 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 2022, the State received cash rebates from infant formula manufacturers in the amount of \$4,329,943 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 \$14,828.

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	\$ 25,607,958
CCDF Mandatory and Matching	7,197,452
CCDF CARES	2,399,662
CCDF CRRSA	85,811,175
	<u>\$ 121,016,247</u>

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

**STATE OF DELAWARE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2022**

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:

\$ 13,298,496

Auditee qualified as low-risk auditee?

 yes x no

STATE OF DELAWARE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2022

Identification of Major Federal Programs

Major Programs	Assistance Listing	Opinion
Child Nutrition Cluster	10.553, 10.555, 10.559, 10.582	Unmodified
Unemployment Insurance	17.225	Qualified
Federal Transit Cluster	20.507, 20.525, 20.526	Unmodified
Formula Grants for Rural Areas	20.509	Unmodified
Coronavirus Relief Fund	21.019	Unmodified
Coronavirus State and Local Fiscal Recovery Funds	21.027	Qualified
Student Financial Assistance Cluster	84.007, 84.033, 84.063, 84.268	Unmodified
Title I Grants to Local Educational Agencies	84.010	Unmodified
Education Stabilization Fund	84.425	Qualified
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	Unmodified
1332 State Innovation Waivers	93.423	Unmodified
Temporary Assistance for Needy Families	93.558	Unmodified
Low-Income Home Energy Assistance	93.568	Qualified
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

**STATE OF DELAWARE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2022**

Section II – Financial Statement Findings

Material Weakness

Finding 2022-001 – Unemployment Fund – Account Reconciliations

Condition

The Department of Labor did not have controls properly implemented to ensure that accounts were reconciled timely, and balances 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

We encountered significant difficulties in obtaining reconciliations and account details to complete our audit procedures over the Unemployment Fund. The Department of Labor does not have adequate staff or the established internal controls over financial reporting in place to ensure the reconciliation and review of account balances at year-end are performed accurately and timely. In addition, the mainframe system used to produce account details does not provide user friendly reports to assist staff and management with performing and reviewing account reconciliations.

Effect

Certain adjustments were required to be made to the accounting records by the State’s Division of Accounting subsequent to the start of the audit process. This resulted in a delay in issuing the State’s ACFR by December 31, 2022.

Cause

Various factors contributed to the cause of the finding. Firstly, the accounting system used by the Unemployment Fund is an antiquated system and it is difficult to produce user friendly information out of this system on a timely basis for account reconciliations and review. Secondly, the initial trial balance received required additional reconciliation and review by the Department of Labor before we could complete our audit procedures. Thirdly, the Department does not have adequate staffing in place to complete required accounting work, including account reviews and reconciliations, on a timely basis and required the State’s Division of Accounting to assist with this process before we were able to complete our audit procedures.

Recommendation

We recommend that the Department of Labor ensure adequate staffing is in place for the required workload and that the Department 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.

STATE OF DELAWARE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2022

Section II – Financial Statement Findings (Continued)

Management Response

Management concurs with the finding. The Agency has made a commitment to recruit and hire vacant MERIT positions within the accounting unit and supplement with contractual resources to ensure reconciliation timeliness. The agency is partnering with an outside accounting firm to assist with continuous improvements and year end close process. Agency has reviewed and updated procedures up to and including monthly due dates to ensure timely reporting and discrepancy investigation. Supervisor and Tax Collection Manager will verify monthly report timeliness.

**STATE OF DELAWARE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2022**

Section II – Financial Statement Findings (Continued)

Significant Deficiency

Finding 2022-002 – Unemployment Fund – Allowance for Doubtful Accounts

Condition

The Department of Labor (DOL) did not have a documented methodology or understanding of the methodology used in determining the allowance for doubtful accounts for accounts receivable and taxes receivable.

Criteria

The State of Delaware's Budget and Accounting Policy Manual states that "Management is responsible for maintaining and communicating written policies and procedures to ensure that an effective system of internal control exists within each Organization. Effective policies and procedures help ensure management directives are carried out and that necessary actions are taken to address risks to the achievement of the Organization's objectives. Managers should continuously monitor and improve the effectiveness of internal control associated with DOL's respective internal programs. This continuous monitoring and other periodic evaluations provide the basis for management's verification that existing controls are sufficient to safeguard the Organization's assets."

Context

The Department was unable to support the allowance for doubtful accounts calculation for accounts receivable and taxes receivable with a documented methodology and did not have a good understanding of the historical methodology applied.

Effect

The Division of Accounting reviewed the Department's allowance calculations and subsequently made adjustments to the allowance calculation using historical allowance percentages.

Cause

The Department of Labor did not have documented policy and procedures to support the allowance calculation and ensure DOL's approach was reasonable.

Recommendation

We recommend that the Department of Labor establish a written methodology and policies and procedures for the methodology used to determine the allowance for doubtful accounts for accounts receivable and taxes receivable. The Department should also implement processes to regular review this methodology to ensure it is reasonable and reflective of actual collectibility.

Management Response

Management concurs with the finding. The Agency is committed to working with our outside accounting partner to establish the allowance methodology. We are developing procedures for completing allowance for doubtful support and ensuring adequate training. Agency will review the methodology regularly. We estimate documented methodology and policies to be completed by 5/30 in preparation for EOY closeout.

**STATE OF DELAWARE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2022**

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	
Child Nutrition Cluster	U.S.D.A. (10)	10.553, 10.555, 10.559, 10.582	2022-003		X	X
Unemployment Insurance	U.S. DOL (17)	17.225	2022-004	X		X
Unemployment Insurance	U.S. DOL (17)	17.225	2022-005	X		X
Unemployment Insurance	U.S. DOL (17)	17.225	2022-006		X	X
Unemployment Insurance	U.S. DOL (17)	17.225	2022-007		X	X
Unemployment Insurance	U.S. DOL (17)	17.225	2022-008		X	X
Unemployment Insurance	U.S. DOL (17)	17.225	2022-009		X	X
Coronavirus State and Local Fiscal Recovery Funds	U.S. TREAS (21)	21.027	2022-010	X		X
Coronavirus State and Local Fiscal Recovery Funds	U.S. TREAS (21)	21.027	2022-011		X	X
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	U.S HHS (93)	93.323	2022-012		X	X
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	U.S HHS (93)	93.323	2022-013		X	X
1332 State Innovation Waivers	U.S HHS (93)	93.423	2022-014		X	X
Temporary Assistance for Needy Families	U.S HHS (93)	93.558	2022-015		X	X
Temporary Assistance for Needy Families	U.S HHS (93)	93.558	2022-016		X	X
Low-Income Home Energy Assistance Program	U.S HHS (93)	93.568	2022-017	X		X
Children's Health Insurance Program	U.S HHS (93)	93.767	2022-018	X		X
Medicaid Cluster; Children's Health Insurance Program	U.S HHS (93)	93.775, 93.777, 93.778, 93.767	2022-019		X	

**STATE OF DELAWARE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2022**

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; Children's Health Insurance Program	U.S HHS (93)	93.775, 93.777, 93.778, 93.767	2022-020	X		X
Medicaid Cluster; Children's Health Insurance Program	U.S HHS (93)	93.775, 93.777, 93.778, 93.767	2022-021	X		X
Opioid State Targeted Response	U.S HHS (93)	93.788	2022-022	X		X
Opioid State Targeted Response	U.S HHS (93)	93.788	2022-023		X	X
Block Grants for Prevention and Treatment of Substance Abuse	U.S HHS (93)	93.959	2022-024	X		X
Block Grants for Prevention and Treatment of Substance Abuse	U.S HHS (93)	93.959	2022-025	X		X
Block Grants for Prevention and Treatment of Substance Abuse	U.S HHS (93)	93.959	2022-026	X		X
Block Grants for Prevention and Treatment of Substance Abuse	U.S HHS (93)	93.959	2022-027		X	X
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	U.S. DHS (97)	97.036	2022-028	X		X
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	U.S. DHS (97)	97.036	2022-029	X		X
Student Financial Assistance Cluster	U.S DOE (84)	84.007, 84.033, 84.063, 84.268	2022-030		X	X
Student Financial Assistance Cluster	U.S DOE (84)	84.007, 84.033, 84.063, 84.268	2022-031		X	X
Student Financial Assistance Cluster	U.S DOE (84)	84.007, 84.033, 84.063, 84.268	2022-032		X	X
Education Stabilization Fund	U.S DOE (84)	84.425E,F	2022-033	X		X

**STATE OF DELAWARE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2022**

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

Reference Number: 2022-003
Prior Year Finding: No
Federal Agency: U.S. Department of Agriculture
State Department Name: Department of Education
Federal Program: Child Nutrition Cluster
Assistance Listing Number: 10.553, 10.555, 10.559, 10.582
Award Number and Year: 1DE303301 (10/1/2020 – 9/30/2022)
Compliance Requirement: Suspension and Debarment
Type of Finding: Significant Deficiency in Internal Control Over Compliance, Other Matters

Criteria or specific requirement:

Compliance: 2 CFR 200.214 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.

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 Department of Education (Department) did not determine the suspension and debarment status of subrecipients with expenditures exceeding \$25,000 as required by federal regulations.

Context:

The suspension and debarment status for 1 of 5 subrecipients was not documented.

Questioned costs:

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

Cause:

The Department’s procedures and internal controls over suspension and debarment are not sufficient to ensure that all subrecipients’ suspension and debarment status is verified timely.

**STATE OF DELAWARE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2022**

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

Effect:

Failure to verify the suspension and debarment status of subrecipients may result in the State issuing subawards to subrecipients that are suspended or debarred and not authorized to provide services under the program.

Recommendation:

The Department should ensure policies and procedures include the three options for determining suspension and debarment status listed in 2 CFR 180.300 and that controls are sufficient to ensure that the suspension and debarment status is verified for all subrecipients prior to issuance of the subawards.

Views of responsible officials:

The Delaware Department of Education (DDOE) Nutrition Team will update the online School Nutrition application to include a certification statement similar to the statement below.

Have any current principal staff been debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency. Yes/No.

The DDOE Nutrition Team will check SAM exclusions on sam.gov until the application is updated.

**STATE OF DELAWARE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2022**

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

Reference Number:	2022-004
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:	UI340502055A10 (10/1/2019 – 12/31/2022), UI347072055A10 (4/1/2020 – 6/30/2023), UI372152255A10 (10/1/2021 – 12/31/2024)
Compliance Requirement:	Special Tests and Provisions – UI Benefit Payments
Type of Finding:	Material Weakness in Internal Control Over Compliance, Material Noncompliance

Criteria or specific requirement:

Compliance: The State Workforce Agency (SWA) is required by 20 CFR section 602.11(d) to operate and maintain a quality control system. The Benefits Accuracy Measurement (BAM) program is DOL's quality control system designed to assess the accuracy of UI benefit payments and denied claims, unless the SWA is exempted from such requirement (20 CFR section 602.22). The program estimates error rates, that is, numbers of claims improperly paid or denied, and dollar amounts of benefits improperly paid or denied, by projecting the results from investigations of statistically sound random samples to the universe of all claims paid and denied in a state. Specifically, the SWA's BAM unit is required to draw a weekly sample of payments and denied claims, complete prompt, and in-depth investigations to determine if the administration of the UC program is consistent with state and federal law (20 CFR section 602.21(d)).

As presented in the ET Handbook No. 395, the investigation involves a review of state agency records, as well as contacting the claimant, employers, and third parties (either in-person, by telephone, or by fax) to conduct new and original fact-finding related to all of the information pertinent to the paid or denied claim that was sampled. BAM investigators review cases for adherence to federal and state law as well as official policy. The following time limits are established for completion of all cases for the year. (The "year" includes all batches of weeks ending in the calendar year.):

- a minimum of 70% of cases must be completed within 60 days of the week ending date of the batch;
- 95% of cases must be completed within 90 days of the week ending date of the batch;
- a minimum of 98% of cases for the year must be completed within 120 days of the ending date of the calendar 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).

STATE OF DELAWARE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2022

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

Condition:

The Division did not complete BAM case investigations within the time limits established in the ET Handbook No. 395.

Context:

Forty cases were selected for testing. The Division did not meet the required time limits for closing cases within 60, 90, or 120 days. Specifically, we noted the following exceptions:

- 48% of cases tested (19 of 40 cases) were closed within 60 days which is less than the required 70%
- 63% of cases tested (25 of 40 cases) were closed within 90 days which is less than the required 95%
- 73% of cases tested (29 of 40 cases) were closed within 120 days which is less than the required 98%
- The remaining 28% of cases tested (11 of 40 cases) were closed between 141 and 277 days.

Questioned costs:

Undetermined.

Cause:

The Division experienced staffing shortages and other pressures related to the COVID-19 pandemic which impacted its ability to meet the required BAM investigation time limits for closing cases.

Effect:

Noncompliance with BAM case investigation time limits could delay the detection and correction of inaccurate benefit payments and denied claims.

Recommendation:

We recommend the Division review and enhance procedures and controls to ensure that BAM case investigations are completed timely in accordance with the time limits established in the ET Handbook No. 395.

Views of responsible officials:

The BAM Unit experienced high turnover volumes during the pandemic, creating a backlog of UI Benefit investigations. The pandemic also changed the workforce dynamic, creating a culture of fully remote jobs in many job markets, which left most State agencies struggling to fill positions; because of this, State Government lost its competitive edge as an employer, resulting in low applicant response to job postings. It took the BAM unit several job reposting's to get vacancies filled. However, we have filled most of the vacancies and will conduct interviews on Friday, 03/24/23, to fill the remaining two vacancies in the unit. We also recently made a change to our training strategy. There will be consecutive weeks of training in a classroom setting, along with OTJT. The BAM unit also assigns all available NASWA training to new hires during their first weeks of employment. We chose this training strategy to provide all new hires with consistent training to ensure understanding of the BAM investigative process. In addition, we will be hiring a Sr. accountant who will focus on all backlog items only. We are also in the process of converting all paper-driven methods to fully electronic ones. All BAM employees will receive the necessary tools, training, and work-from-home equipment for working successfully from home, allowing us to maintain production in case of another catastrophic event.

**STATE OF DELAWARE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2022**

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

Reference Number:	2022-005
Prior Year Finding:	2021-005
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:	UI340502055A10 (10/1/2019 – 12/31/2022), UI347072055A10 (4/1/2020 – 6/30/2023), UI372152255A10 (10/1/2021 – 12/31/2024)
Compliance Requirement:	Special Tests and Provisions – Employer Experience Rating
Type of Finding:	Material Weakness in Internal Control over Compliance, Material Noncompliance

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 19 of 60 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.

Effect:

Incorrect employer experience rates were applied to employers.

**STATE OF DELAWARE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2022**

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

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:

MERIT rating was completed on a Emergency Rule due to COVID 19 pandemic. Mainframe system required manual intervention to complete this special law. DOL does not consider the rate the employer places on the UC8 tax form only the rate assessed. The accounts that were incorrect were a result of the special rule and needed constant manual intervention. Should an overpayment occur DOL notifies employer of credit and allows them to utilize that on future quarterly payments. If the credit cannot be used we issue a check for the refund. DOL Staff created Emergency Rule 21 changing the tax table to correct the mainframe issue.

**STATE OF DELAWARE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2022**

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

Reference Number: 2022-006
Prior Year Finding: 2021-003
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: UI340502055A10 (10/1/2019 – 12/31/2022), UI347072055A10 (4/1/2020 – 6/30/2023), UI372152255A10 (10/1/2021 – 12/31/2024)
Compliance Requirement: Reporting – ETA 2208A, Quarterly UI Above-Base Report
Type of Finding: Significant Deficiency in Internal Control over Compliance, Other Matters

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 ETA 2208A – Quarterly UI Above-Base Report was not filed timely.

Context:

Reports for the 9/30/2021 and 3/31/2022 reports were selected for testing, and we noted that one of the two reports was not filed timely. The 3/31/2022 ETA 2208A report was due by 4/30/2022 and it was submitted on 5/18/2022, or 18 days late.

Questioned costs:

None noted.

Cause:

The Division's procedures and internal controls were not sufficient to ensure that reports were filed no later than 30 days after the end of each quarter.

Effect:

The ETA 2208A report was not filed timely which could impact the federal agency's ability to monitor the program.

**STATE OF DELAWARE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2022**

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

Recommendation:

The Division should review and update its reporting procedures and controls to ensure that ETA 2208A – Quarterly UI Above-Base Reports are submitted no later than 30 days after the end of each quarter.

Views of responsible officials:

The Fiscal department has added to our Policy and Procedures the terms of the reporting period being 30 days after the end of the quarter. It was also posted on a group calendar to begin work on the reports at 20 days after quarter end.

**STATE OF DELAWARE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2022**

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

Reference Number: 2022-007
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: UI340502055A10 (10/1/2019 – 12/31/2022), UI347072055A10 (4/1/2020 – 6/30/2023), UI372152255A10 (10/1/2021 – 12/31/2024)
Compliance Requirement: Reporting – ETA 9050 - Time Lapse of All First Payments except Workshare Report
Type of Finding: Significant Deficiency in Internal Control Over Compliance, Other Matters

Criteria or specific requirement:

Compliance: States are required to submit periodic reporting to evaluate the performance of the states' UI programs. The ETA 9050–*Time Lapse of All First Payments except Workshare* report contains monthly information on first payment time lapse. This report concerns the time it takes states to pay benefits to claimants for the first compensable week of unemployment. That data addressed first payment time lapse for total unemployment only. The report is submitted electronically to the ETA National Office on the 20th of the month following the month to which the data relates.

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 submit the ETA 9050–Time Lapse of All First Payments except Workshare Report timely for the month ended December 31, 2021.

Context:

One of three monthly ETA 9050 reports selected for testing was filed untimely. The report for the month ended December 31, 2021 was required to be submitted electronically no later than January 20, 2022, but the Division submitted the report seven days late on January 27, 2022.

Questioned costs:

None noted.

**STATE OF DELAWARE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2022**

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

Cause:

The Division's procedures were not sufficient to ensure that the ETA 9050 report was submitted by the 20th of the month following the month to which the data relates. Internal controls did not prevent or detect the error.

Effect:

The ETA 9050 report was not filed timely for the month ending December 31, 2021 which could impact the federal agency's ability to monitor the program.

Recommendation:

The Division should review and enhance procedures and internal controls to ensure that ETA 9050 reports are submitted timely, by the 20th of the month following the month to which the data relates.

Views of responsible officials:

DE has put a process in place to monitor and track the progress and timeliness of all ETA reporting. Auto-reminders will be created to notify all units responsible for ETA reports two weeks before the due date.

**STATE OF DELAWARE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2022**

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

Reference Number:	2022-008
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:	UI340502055A10 (10/1/2019 – 12/31/2022), UI347072055A10 (4/1/2020 – 6/30/2023), UI372152255A10 (10/1/2021 – 12/31/2024)
Compliance Requirement:	Reporting – ETA 9130, Financial Status Report, UI Programs
Type of Finding:	Significant Deficiency in Internal Control Over Compliance, Other Matters

Criteria or specific requirement:

Compliance: The ETA 9130-*Financial Status Report, UI Programs* report is used to report program and administrative expenditures. All ETA grantees are required to submit quarterly financial reports for each grant award which they operate, including standard program and pilot, demonstration, and evaluation projects. Financial data is required to be reported cumulatively from grant inception through the end of each reporting period. A separate ETA 9130 is submitted for each of the following: UI, PEUC, and PUA Administration, DUA, TRA/RTAA, and UA Projects (administration and benefits).

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 Cumulative Federal Share of Expenditures reported on the ETA 9130 – Financial Status Report, UI Programs submitted by the Division did not tie to supporting documentation.

Context:

Twenty ETA 9130 reports were selected for testing consisting of 9 reports for the 9/30/2021 quarter and 11 reports for the 3/31/2022 quarter. For 4 of the 11 reports submitted for the 3/31/2022 quarter, the Cumulative Federal Share of Expenditures on Line 10e did not tie to supporting documentation. Specifically, we noted the following exceptions:

- Grant UI34707CI0: The amount reported was \$105,971 greater than supporting documentation.
- Grant UI34707Z30: The amount reported on Line 10e was \$118,111 greater than supporting documentation.
- Grant UI34707C80: The amount reported on Line 10e was \$23,231 greater than supporting documentation.
- Grant UI34707CA0: The amount reported on Line 10e was \$707 greater than supporting documentation.

STATE OF DELAWARE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2022

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

Questioned costs:

Questioned costs of \$248,020 represent the federal share reported in excess of supporting documentation.

Cause:

The Division's procedures were not sufficient to ensure that the ETA 9130 reports were accurate and tied to supporting documentation. Internal controls did not prevent or detect the error.

Effect:

The Division submitted inaccurate ETA 9130 reports for the 3/31/2022 quarter and the Cumulative Federal Share of Expenditures exceeded the amount contained in supporting documentation.

Recommendation:

We recommend the Division review and enhance procedures and internal controls to ensure that ETA 9130 reports are submitted accurately and that they tie to supporting documentation.

Views of responsible officials:

The Fiscal department has added to our Policy and Procedures the terms of the reporting period being 45 days after the end of the quarter. It was also posted on a group calendar to begin work on the reports at 30 days after quarter end.

**STATE OF DELAWARE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2022**

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

Reference Number:	2022-009
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:	UI340502055A10 (10/1/2019 – 12/31/2022), UI347072055A10 (4/1/2020 – 6/30/2023), UI372152255A10 (10/1/2021 – 12/31/2024)
Compliance Requirement:	Eligibility
Type of Finding:	Significant Deficiency in Internal Control Over Compliance, Other Matters

Criteria or specific requirement:

Compliance: State Workforce Agencies (SWA) responsibilities include: (1) establishing specific, detailed policies and operating procedures which comply with the requirements of federal laws and regulations; (2) determining the state Unemployment Insurance (UI) tax structure; (3) collecting state UI contributions from employers (commonly called “unemployment taxes”); (4) determining claimant eligibility and disqualification provisions; (5) making payment of UI benefits to claimants; (6) managing the program’s revenue and benefit administrative functions; (7) administering the programs in accordance with established policies and procedures; and (8) enacting state unemployment compensation (UC) law that conforms with federal UC law.

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 of Unemployment Insurance (Division) did not maintain documentation supporting claimant eligibility and an error was noted in the amount paid to a claimant.

Context:

Forty claimants were selected for testing and the following exceptions were noted:

- For 1 of 40 claimants, documentation could not be provided that a weekly certification occurred for the claim week.
- For 2 of 40 claimants, documentation could not be provided for the claimants’ wages during the base period used to calculate the weekly benefit amount (WBA) and maximum benefit amount (MBA). Therefore, the claimants’ WBA and MBA were unable to be verified.
- For 1 of 40 claimants, the claimant’s WBA was calculated as \$238, but they were paid \$171.

**STATE OF DELAWARE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2022**

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

Questioned costs:

Undetermined.

Cause:

The Division's procedures and internal controls were not sufficient to ensure that it issued unemployment compensation payments accurately and that documentation to support claimant eligibility was retained.

Effect:

The accuracy of benefit payment amounts could not be verified, and one claimant was paid less than the benefit payment to which they were entitled.

Recommendation:

We recommend the Division review and enhance procedures and controls to ensure that it retains documentation for claimant eligibility and that benefit payments are accurate in accordance with program requirements.

Views of responsible officials:

We will continue to utilize and enhance customer service management tools and centralize where documentation is retained. We will continue to review program requirements and ensure they are reviewed, and implemented, and processed correctly. We will review and ask for clarity regarding UIPLs when there is a discrepancy. We are also looking to modernization our systems to house all our documentations.

**STATE OF DELAWARE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2022**

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

Reference Number:	2022-010
Prior Year Finding:	No
Federal Agency:	U.S. Department of the Treasury
State Department Name:	Office of the Governor
Federal Program:	COVID-19 – Coronavirus State and Local Fiscal Recovery Funds
Assistance Listing Number:	21.027
Award Number and Year:	SLFRP0139 (3/3/2021 – 12/31/2024) SLFRP2629 (3/3/2021 – 12/31/2024)
Compliance Requirement:	Reporting
Type of Finding:	Material Weakness in Internal Control Over Compliance, Material Noncompliance

Criteria or specific requirement:

Compliance: Reporting requirements for Coronavirus State and Local Fiscal Recovery Funds include the following:

- 1) Interim Report: States were required to submit a one-time interim report to the U.S. Treasury's State and Local Relief Funds (SLRF) portal with expenditures by Expenditure Category from the date of award to July 31, 2021, by August 31, 2021 or sixty (60) days after first receiving funding if the recipient's date of award was between July 15, 2021 and October 15, 2021. The recipient was required to enter obligations and expenditures and, for each, select the specific expenditure category from the available options.
- 2) Project and Expenditure Reports: Each recipient is required to report obligations and expenditures by project according to its corresponding Expenditure Category. The Project and Expenditure Report provides information on projects funded, expenditures, and contracts and subawards greater than or equal to \$50,000, and other information required from recipients.

For purposes of reporting in the SLFRF portal, an obligation is an order placed for property and services, contracts and subawards made, and similar transactions that require payment. An expenditure is the amount that has been incurred as a liability of the entity (the service has been rendered or the good has been delivered to the entity).

An initial quarterly Project and Expenditure Report covered three calendar quarters from March 3, 2021 to December 31, 2021 and was required to be submitted to Treasury by January 31, 2022. Subsequent quarterly reports cover one calendar quarter and are required to be submitted to Treasury by the last day of the month following the end of the period covered.

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, 2022**

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

Condition:

The Interim Report was not filed timely and supporting documentation did not agree with amounts reported for obligations, expenditures and subawards on the Project and Expenditure Reports.

Context:

Program components and projects are managed by the Office of the Governor (Office) and by several agencies throughout the State. The Office submits all required reports on the State's behalf. For projects not managed directly by the Office, State agencies provide supporting documentation to the Office for compilation and inclusion on the State's reports.

The following reports were selected for testing:

- 1) The Interim Report
- 2) Project and Expenditure Reports for the 3/31/2022 and 6/30/2022 quarters: From these reports, 51 projects were selected for testing obligations and expenditures, 40 subawards greater than \$50,000 and 10 subawards less than \$50,000 were selected.

The following exceptions were noted:

- 1) The Interim Report was required to be submitted by 8/31/2021 and it was submitted on 9/2/2021, or 2 days late.
- 2) Project and Expenditure Reports:
 - Obligations: For 40 of 51 projects greater than \$50,000, obligations did not agree to supporting documentation. For 32 of the 40 exceptions, the Office reported cumulative expenditures incurred rather than cumulative obligations.
 - Expenditures: For 20 of 51 projects greater than \$50,000, expenditures did not agree to supporting documentation. For 18 of the 20 exceptions, the Office reported the subrecipients' expenditures rather than the Office's expenditures.
 - Subawards greater than \$50,000: For 16 of 20 subawards greater than \$50,000, reported obligations did not match supporting documentation and 11 of 20 subawards were not reported.
 - Subawards less than \$50,000: For 2 of 10 subawards, the subawards exceeded \$50,000, but they were reported in the aggregate with subawards less than \$50,000.

Questioned costs:

Undetermined.

Cause:

Internal Controls were not operating effectively to ensure that the Interim Report was submitted timely, and that Project and Expenditure Reports were submitted accurately.

Effect:

Obligations, expenditures, and subaward information reported to Treasury was incorrect.

**STATE OF DELAWARE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2022**

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

Recommendation:

The Office should enhance its procedures and internal controls regarding preparation of the Project and Expenditure Reports to ensure that information reported is accurate and agrees to supporting documentation. We further recommend that the Office work with State agencies which incur costs under the program to develop procedures and controls to ensure that they provide accurate information to the Office on a timely basis to facilitate timely and accurate project reporting.

Views of responsible officials:

There is no disagreement with the audit finding but here is our explanation. The American Rescue Plan State and Local Fiscal Recovery Funds are awarded in advance to our subrecipients based on language in each subrecipient agreement. Within United States Treasury's reporting portal, we are required to report subawards for each subrecipient and related expenditures and programmatic details. We made the decision to report subrecipient activity for each subaward based on the quarterly data provided to our team. For instance, a subrecipient awarded \$50,000 with quarterly expenditures of \$10,000 were reported as expending \$10,000 on the quarterly UST Project and Expenditure report. This decision was made because it most accurately accounted for the status of a project and the utilization of the funding. This approach resulted in a discrepancy between the expenses in FSF and the UST reporting. Based on guidance from CLA, coming out of the single audit, our team will be reporting the subrecipient activity as the amount paid to each, not based on the expenses of their subaward. A subrecipient awarded and paid \$50,000 will be reported as an expenditure of \$50,000. We will continue to track and capture subrecipient utilization of the funding through compliance monitoring and quarterly updates. The previously reported amounts in U.S. Treasury's system will be adjusted for the quarter ending March 31, 2023. This action will resolve CLA's reporting finding. CLA will test the 3/31/23 and 6/30/23 reports during next year's single audit to ensure the finding was corrected.

**STATE OF DELAWARE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2022**

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

Reference Number:	2022-011
Prior Year Finding:	No
Federal Agency:	U.S. Department of the Treasury
State Department Name:	Department of Health and Social Services
State Division Name:	Division of Social Services
Federal Program:	COVID-19 – Coronavirus State and Local Fiscal Recovery Funds
Assistance Listing Number:	21.027
Award Number and Year:	SLFRP0139 (3/3/2021 – 12/31/2024) SLFRP2629 (3/3/2021 – 12/31/2024)
Compliance Requirement:	Procurement, Suspension & Debarment
Type of Finding:	Significant Deficiency in Internal Control Over Compliance, Other Matters

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.);

**STATE OF DELAWARE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2022**

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

- (4) Location (geographical);
- (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))

2 CFR 200.214 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

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, 2022**

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

Condition:

The Division was unable to provide documentation to support compliance with the required State procurement processes for a professional services contract. In addition, the Division did not provide support that the suspension and debarment status of the vendor was checked before the contract was awarded.

Context:

For one of eleven contracts selected for testing, no support was provided for the how the contract was procured. Further, the suspension and debarment status of the vendor was not documented for that contract.

Questioned costs:

Undetermined.

Cause:

The Division's internal controls were not sufficient to ensure that Statewide procurement policies and Federal suspension and debarment regulations were followed for purchases made for the program.

Effect:

The Division is not compliant with federal and state procurement and suspension and debarment requirements. Failure to adhere to procurement and suspension and debarment 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 and Federal suspension and debarment regulations for all goods and services charged to the program.

Views of responsible officials:

We agree with the auditor's recommendation. Ongoing meeting, training, and monitoring have helped and will continue to help DSS staff to achieve compliance. The following actions have been taken to improve the Procurement process.

- Program unit staff will receive Procurement Bootcamp training on contract rules.
- Program unit & Fiscal unit staff will monitor and track all contracts, MOU/MOA's and agreement so they are in compliance with State Procurement policy.
- Fiscal unit will ensure they have an approval to pay for any invoices.
- Conduct monthly meetings with OSEC CMP Managers and DSS Fiscal unit.

**STATE OF DELAWARE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2022**

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

Reference Number: 2022-012
Prior Year Finding: 2021-010
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: 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:

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 certified and obtained timely.

**STATE OF DELAWARE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2022**

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

Context:

Twelve of sixty time and effort certifications selected for testing were not certified and obtained until after the documentation was requested for audit.

Questioned costs:

Undetermined.

Cause:

Controls were not operating effectively to ensure that time and effort reporting was performed in a timely and accurate 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 of Public Health Laboratory (DPHL) has been working to implement corrective action, as this was a prior finding. The implementation timeline overlapped into the current audit period. ELC Grant Managers use various tools to monitor personnel funding: Organizational charts, grant budget requests, wage workups, and funding transfer notifications (FTNs) for budget positions associated with ELC. Our process has been overhauled and time and effort attestation and certification forms are being collected for all grants managed by the DPH Laboratory every 6 months. In addition, ELC Grant Managers at DPHL developed a new standard operating procedure (SOP), worked with DMS to be trained on the requirements, and work towards a new internal standard.

**STATE OF DELAWARE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2022**

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

Reference Number: 2022-013
Prior Year Finding: 2021-011
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: Significant Deficiency in Internal Control Over Compliance, Other Matters

Criteria or specific requirement:

Compliance: Non-federal entities are required to submit Performance Measures and Progress Monitoring 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 Progress Monitoring Reports were filed timely.

Context:

Six quarterly Performance Measures reports, and five quarterly Progress Monitoring reports were selected for testing. The Division was unable to provide support that five of five quarterly Progress Monitoring reports were filed timely.

Questioned costs:

None noted.

Cause:

The Division’s procedures and controls were not sufficient to ensure that quarterly Progress Monitoring 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, 2022**

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 Progress Monitoring reports are filed timely and that it maintains documentation supporting timely submission.

Views of responsible officials:

The Division of Public Health (DPH) filed its quarterly Progress Monitoring reports timely but failed to maintain supporting documentation. The Division of Public Health Laboratory (DPHL) has been working to implement corrective action, as this was a prior year finding. DPHL has been in discussion with the Federal Program regarding a timestamp function within the REDCap reporting system. Initial information confirmed by the sponsor, indicated the function would be available; however, DPHL was later advised that the functionality would not be available. As a result, DPHL started working on a process to capture performance report submission dates via PDF screenshots. The process continues to evolve and when fully implemented will allow us to provide verification of timely submitted performance reports.

**STATE OF DELAWARE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2022**

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

Reference Number:	2022-014
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:	Delaware Health Care Commission (DHCC)
Federal Program:	1332 State Innovation Waivers
Assistance Listing Number:	93.423
Award Number and Year:	SIWIW200012 (1/1/2020 – 12/31/2024)
Compliance Requirement:	Reporting – Quarterly Performance Reports
Type of Finding:	Significant Deficiency in Internal Control over Compliance, Other Matters

Criteria or specific requirement:

Compliance: Grantees are required to submit both quarterly and annual reports that outline specific metrics and programmatic updates requested by the federal partners.

- a. Quarterly Reporting – Grantees are required to submit quarterly reports. At a minimum, these reports must highlight information on all ongoing operational challenges, as well as plans for, and results of, associated corrective action. This information is integral to calculating the state's pass-through funding amount and for ensuring the grantee's compliance with the statutory guard rails. Reports are due 60 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:

DHCC did not submit a quarterly performance report timely.

Context:

Quarterly Performance Reports for the 9/30/2021 and 3/31/2022 quarters were selected for testing. The Quarterly Performance Report for the 3/31/2022 quarter was not submitted timely. The report was due 5/31/2022 and it was submitted 6/6/2022, or six days late.

Questioned costs:

None noted.

Cause:

DHCC's procedures and internal controls were not sufficient to ensure that reports were filed timely.

**STATE OF DELAWARE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2022**

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

Effect:

The quarterly performance report was not filed timely which could impact the Federal agency's ability to monitor the program.

Recommendation:

DHCC should review and enhance its reporting procedures and controls to ensure that quarterly performance reports are submitted no later than 60 days after the end of each quarter.

Views of responsible officials:

DHCC acknowledges the 5/31/22 quarterly report was not submitted timely and is committed to enhancing procedures and controls. To ensure future reports are submitted by due date, DHCC will make sure all reporting deadlines are added to DHCC calendar.

**STATE OF DELAWARE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2022**

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

Reference Number: 2022-015
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 Social Services
Federal Program: Temporary Assistance for Needy Families
Assistance Listing Number: 93.558
Award Number and Year: 20210DETANF (10/1/2019 – 9/30/2025), 2222DETANF (10/1/2021 – 9/30/2026)
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:

- (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.

STATE OF DELAWARE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2022

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

Context:

For five of forty payroll transactions selected for testing, documentation could not be provided to support that employee time and effort charged to the program had been certified and approved.

Questioned costs:

Questioned costs of \$8,231 represent the amount of unsupported payroll expenditures charged to the grant.

Cause:

Controls were not operating effectively to ensure that time and effort reporting was performed in a timely and accurate 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 of Social Services (DSS) will review and strengthen its internal controls in regard to time and effort reporting to ensure it can substantiate all reimbursements from federal programs. This review will include other DHSS divisions and state agencies that receive TANF funds for time and effort. Exceptions were due to position changes, retirement and untimely submission of supporting documents. Issues identified by the audit have been corrected.

**STATE OF DELAWARE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2022**

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

Reference Number: 2022-016
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 Social Services
Federal Program: Temporary Assistance for Needy Families
Assistance Listing Number: 93.558
Award Number and Year: 20210DETANF (10/1/2019 – 9/30/2025), 2222DETANF (10/1/2021 – 9/30/2026)
Compliance Requirement: Reporting – ACF-196R, TANF Financial Report
Type of Finding: Significant Deficiency in Internal Control Over Compliance, Other Matters

Criteria or specific requirement:

Compliance: States are required to submit the *ACF-196R, TANF Financial Report* on quarterly basis. Each state files quarterly expenditure data on the state's use of federal TANF funds, state TANF MOE expenditures, and state expenditures of MOE funds in separate state programs. If a state is expending federal TANF funds received in prior fiscal years, it must file a separate quarterly TANF Financial Report for each fiscal year that provides information on the expenditures of that year's TANF funds. Reports must be received by the Administration for Children and Families (ACF) within 45 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 did not submit quarterly ACF-196R reports timely.

Context:

ACF-196R reports for the 9/30/2021 and 3/31/2022 quarters were selected for testing. The 9/30/2021 report was due by 11/14/2021, but it was submitted 3/9/2022, or 115 days late. The report for the quarter ending 3/31/2022 was due by 5/15/2022, but it was submitted on 7/31/2022, or 77 days late.

Questioned costs:

None noted.

STATE OF DELAWARE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2022

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

Cause:

The Division's procedures and internal controls were not sufficient to ensure that reports were filed timely.

Effect:

The ACF-196R reports were not filed timely which could impact the Federal agency's ability to monitor the program.

Recommendation:

The Division should review and update its reporting procedures and controls to ensure that *ACF-196R TANF Financial Reports* are submitted no later than 45 days after the end of each quarter.

Views of responsible officials:

The Division has reviewed and updated its reporting procedures and controls to ensure all federal reports are submitted timely. Exceptions noted in the audit were due to staff turnover and training.

**STATE OF DELAWARE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2022**

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

Reference Number:	2022-017
Prior Year Finding:	2021-013
Federal Agency:	U.S. Department of Health and Human Services
State Department Name:	Department of Health and Social Services
State Division Name:	Division of State Service Centers
Federal Program:	COVID-19 – Low-Income Home Energy Assistance
Assistance Listing Number:	93.568
Award Number and Year:	2001DELIEA (10/1/2019 – 9/30/2021), 2101DELIEA (10/10/2020 – 9/30/2022), 2010DEE5C6 (3/11/2021 – 9/30/2022), 2201DELIEA (10/1/2021 – 9/30/2023)
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, 2022

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 \$8,798,444, 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
\$8,798,444	\$8,798,444	\$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 has been working to implement corrective action and has developed internal controls and procedures to ensure that FFATA reporting requirements are met and subawards are reported accurately and timely to FSRS.

STATE OF DELAWARE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2022

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

Reference Number:	2022-018
Prior Year Finding:	2021-014
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:	2205DE5021 (10/1/2021 – 9/30/2023)
Compliance Requirement:	Period of Performance
Type of Finding:	Material Weakness in Internal Control over Compliance, Material Noncompliance

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. Further, the Division was unable to provide support for a transaction selected for testing.

Context:

Eighteen transactions were selected for testing, and we noted the following exceptions:

- Six of eighteen transactions were charged before the allowable period of performance.
- For one of eighteen transactions, the Division was unable to provide supporting documentation and compliance with period of performance could not be verified.

Questioned costs:

\$44,567 represents transactions unsupported or 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 nor that it maintained supporting documentation for expenditures charged to the award.

**STATE OF DELAWARE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2022**

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, that it maintains supporting documentation, and that supporting documentation is available for audit.

Views of responsible officials:

The Division will review and enhance internal controls to ensure program expenditures are properly charged. Questioned costs are due to the reporting requirements of this grant. Payments are made based on when invoices are received. Federal requirement is that CHIP draws, expenditures and reporting are done on a cost basis. DMMA reports based on the date of the draw, not the date of the invoice. The Division is exploring ways to meet all grant compliance requirements.

**STATE OF DELAWARE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2022**

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

Reference Number:	2022-019
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 Medicaid Cluster
Assistance Listing Number:	93.767, 93.775, 93.777, 93.778
Award Number and Year:	2105DE5021 (10/1/2020 – 9/30/2022), 2205DE5021 (10/1/2021 – 9/30/2023) 2105DE5MAP (10/1/2020 – 9/30/2021), 2205DE5MAP (10/1/2021 – 9/30/2022)
Compliance Requirement:	Special Tests and Provisions – Medical Loss Ratio
Type of Finding:	Significant Deficiency in Internal Control Over Compliance

Criteria or specific requirement:

Compliance: For all contracts, the state must ensure that each Managed Care Organization (MCO), Prepaid Inpatient Health Plan (PIHP), and Prepaid Ambulatory Health Plan (PAHP) submits a report with the data elements specified in 42 CFR sections 438.8(k) and 438.8(n). The report should contain the required 13 data elements in the regulation, reflect the correct reporting years, and contain an attestation of accuracy regarding the calculation of the medical loss ratio. Managed care plans are required to submit the annual report in the time and manner established by the state, which must be within 12 months after the end of the MLR reporting year. The state should have a policy and procedure to indicate when the report(s) are due from plans and should not accept multiple submissions from plans unless the capitation payments are revised retroactively.

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:

Documentation to support the Medical Loss Ratio (MLR) reports for one of the state's MCOs was not readily available for review. States are required to develop and implement internal controls to ensure proper supporting documentation is maintained. More than two months elapsed before the Division was able to provide adequate support for a sample of MLR reports selected for testing.

Context:

Four reports were required for the two managed care organization providers within the state for the MLR 12-month period ended 12/31/2021. Supporting documentation for two of these reports were not submitted for audit review in a timely manner.

**STATE OF DELAWARE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2022**

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

Questioned costs:

None noted.

Cause:

The Division's procedures and controls are not sufficient to ensure timely submission of requested audit documentation.

Effect:

Lack of timely review and effective controls could cause the Division to be out of compliance with MLR reporting requirements.

Recommendation:

The Division should review and enhance its procedures and controls regarding MLR reporting to ensure that supporting documentation is readily available upon audit request.

Views of responsible officials:

The Division will review internal controls and archiving process to ensure all required MLR reporting support documentation is provided in a timely manner during the audit.

**STATE OF DELAWARE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2022**

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

Reference Number: 2022-020
Prior Year Finding: 2021-016
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
Medicaid Cluster
Assistance Listing Number: 93.767, 93.775, 93.777, 93.778
Award Number and Year: 2105DE5021 (10/1/2020 – 9/30/2022), 2205DE5021 (10/1/2021 – 9/30/2023)
2105DE5MAP (10/1/2020 – 9/30/2021), 2205DE5MAP (10/1/2021 – 9/30/2022)
Compliance Requirement: Special Tests and Provisions – 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 during the fiscal year under audit or within the last three years.

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, 2022**

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 develop a process to ensure the contracted MCO's have received an independent audit as required and that the results of that audit are posted to the website. In addition, the Division will also utilize our independent Actuary CPA to review the financial data of MCO's as an additional step in the review process.

**STATE OF DELAWARE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2022**

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

Reference Number: 2022-021
Prior Year Finding: 2021-015
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
 Medicaid Cluster
Assistance Listing Number: 93.767, 93.775, 93.777, 93.778
Award Number and Year: 2105DE5021 (10/1/2020 – 9/30/2022), 2205DE5021 (10/1/2021 – 9/30/2023)
 2105DE5MAP (10/1/2020 – 9/30/2021), 2205DE5MAP (10/1/2021 – 9/30/2022)
Compliance Requirement: Special Tests and Provisions – 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, 2022**

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

Context:

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

- For 40 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 20 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 20 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 is reevaluating the current process for validating non-Par provider eligibility. Developing additional training for determining and monitoring provider eligibility are under examination as we search for best practices. Completing more thorough reviews and increased supervisory oversight around the provider eligibility processes are a priority.

**STATE OF DELAWARE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2022**

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

Reference Number:	2022-022
Prior Year Finding:	2021-020
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
Assistance Listing Number:	93.788
Award Number and Year:	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, 2022

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 eight subawards selected for testing were reported to FSRS. Total subawards tested were \$8,295,312, and \$0 was reported as required by FFATA requirements.

Transactions Tested	Subaward not reported	Report not timely	Subaward amount incorrect	Subaward missing key elements
8	8	0	0	0
Dollar Amount of Tested Transactions	Subaward not reported	Report not timely	Subaward amount incorrect	Subaward missing key elements
\$8,295,312	\$8,295,312	\$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 will reevaluate its current process, implement proper controls for FFATA reporting standards, and ensure subawards are reviewed timely. In addition, staff will be assigned to verify information prior to being keyed into FSRS.

**STATE OF DELAWARE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2022**

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

Reference Number:	2022-023
Prior Year Finding:	2021-018
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
Assistance Listing Number:	93.788
Award Number and Year:	H79TI083305 (9/30/2020 – 9/29/2022)
Compliance Requirement:	Subrecipient Monitoring
Type of Finding:	Significant Deficiency in Internal Control Over Compliance, Other Matters

Criteria or specific requirement:

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

- (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.
- (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;
 - (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.

STATE OF DELAWARE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2022

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

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 support that it monitored its subrecipients.

Context:

For 4 of 8 subrecipients selected for testing, 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.

Effect:

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.

Recommendation:

The Division should review and enhance internal controls and procedures to ensure that proper subrecipient monitoring is conducted in accordance with Federal regulations.

Views of responsible officials:

The Division has been working to implement corrective action, as this was a prior finding. The implementation timeline overlapped into the current audit period. DSAMH continues to reevaluate its current process and to 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.

**STATE OF DELAWARE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2022**

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

Reference Number: 2022-024
Prior Year Finding: 2021-024
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, COVID-10 - Block Grants for Prevention and Treatment of Substance Abuse
Assistance Listing Number: 93.959
Award Number and Year: 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, 2022

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 support 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 four of eight subrecipients selected for testing (exceptions listed include multiple exceptions for some subrecipients):

- Four of eight subrecipient agreements were missing the following required information: Subrecipient's Unique Identifier, Federal Award Identification Number (FAIN), Federal Award Date, Federal Award Project Description, Assistance Listing Number and Title.
- For one of eight subrecipients, the Division was unable to provide support that it ensured the subrecipient was 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 four of eight 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, 2022**

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 has been working to implement corrective action, as this was a prior finding. The implementation timeline overlapped into the current audit period. DSAMH continues to reevaluate its current process and to enhance internal controls and procedures to ensure that all required information is included in all subawards and provided to the subrecipients, also that proper subrecipient monitoring is conducted, and that evaluation of independent audits is performed.

**STATE OF DELAWARE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2022**

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

Reference Number:	2022-025
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, COVID-19 - Block Grants for Prevention and Treatment of Substance Abuse
Assistance Listing Number:	93.959
Award Number and Year:	B08TI083060 (10/1/2019 – 9/30/2021), B08TI083488 (10/1/2020 – 9/30/2022)
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, 2022

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 eight subawards selected for testing were reported to FSRS. Total subawards tested were \$6,649,227, and \$0 was reported as required by FFATA requirements.

Transactions Tested	Subaward not reported	Report not timely	Subaward amount incorrect	Subaward missing key elements
8	8	0	0	0
Dollar Amount of Tested Transactions	Subaward not reported	Report not timely	Subaward amount incorrect	Subaward missing key elements
\$6,649,227	\$6,649,227	\$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 will develop internal controls and procedures to ensure that FFATA reporting requirements are met and that information submitted in FSRS is accurate and on time.

**STATE OF DELAWARE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2022**

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

Reference Number: 2022-026
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, COVID-19 - Block Grants for Prevention and Treatment of Substance Abuse
Assistance Listing Number: 93.959
Award Number and Year: B08TI083060 (10/1/2019 – 9/30/2021), B08TI083488 (10/1/2020 – 9/30/2022)
Compliance Requirement: Level of Effort
Type of Finding: Material Weakness in Internal Control Over Compliance, Material Noncompliance

Criteria or specific requirement:

Compliance: Per 45 CFR section 96.123(a)(10), the Block Grant shall not be used to supplant State funding of alcohol and other drug prevention and treatment programs.

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 meet the program’s level of effort requirements during FY 2022 for Supplement Not Supplant.

Context:

The State’s requirement for State expenditures during FY 2022 for alcohol and other drug prevention and treatment programs was \$30 million and it expended \$27 million, for a variance of \$3 million.

Questioned costs:

Undetermined.

Cause:

The Division did not establish effective procedures and internal controls to ensure that level of effort requirements were met during FY 2022.

Effect:

The Division was not in compliance with the program’s level of effort requirements for Supplement Not Supplant. The Division expended approximately \$3 million less in State funds than was required.

STATE OF DELAWARE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2022

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

Recommendation:

The Division should review and enhance procedures and internal controls to ensure that it expends State funds in accordance with level of effort requirements.

Views of responsible officials:

The Division will review and enhance its procedures and internal controls to ensure that it expends State funds in accordance with level of effort requirements. This review is to include a more detailed procedure for gathering and organizing data from the state's accounting system. Division program staff believe that this requirement was in fact met; however, the current process documentation is not clear enough to provide the level of support needed for the audit.

**STATE OF DELAWARE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2022**

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

Reference Number:	2022-027
Prior Year Finding:	2021-025
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, COVID-19 - Block Grants for Prevention and Treatment of Substance Abuse
Assistance Listing Number:	93.959
Award Number and Year:	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, 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).

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 certified and obtained timely.

**STATE OF DELAWARE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2022**

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

Context:

Eight payroll transactions were selected for testing and the following exceptions were noted:

- Four of eight time and effort certifications were not certified and obtained until after the documentation was requested for audit.
- No time and effort certifications were provided for three of eight transactions.

Questioned costs:

Questioned costs of \$2,355 represent the amount of unsupported payroll expenditures charged to the grant.

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 improve the current process through enhanced internal controls and updated training for staff to ensure a clear understanding of the requirements for certification and reporting of time and effort when charged to a federal grant.

**STATE OF DELAWARE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2022**

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

Reference Number:	2022-028
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 (2022), 4566-DR-DE (2022), 4627-DR-DE (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, 2022**

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

Condition:

DEMA could not produce supporting documentation that it reported required subaward information to FSRS for first-tier subawards of \$30,000 or more.

Context:

DEMA was not able to provide supporting documentation for FSRS reporting for four of five subawards selected for testing. Total subawards tested were \$9,839,395, and \$229,664 was reported as required by FFATA requirements.

Transactions Tested	Subaward not reported	Report not timely	Subaward amount incorrect	Subaward missing key elements
5	4	0	0	0
Dollar Amount of Tested Transactions	Subaward not reported	Report not timely	Subaward amount incorrect	Subaward missing key elements
\$9,839,395	\$9,609,730	\$0	\$0	\$0

Cause:

DEMA's policies and procedures were not sufficient to ensure that documentation was maintained to support required subaward information was reported to FSRS. Internal controls did not prevent or detect the errors.

Effect:

DEMA was unable to provide support that subawards were reported to FSRS in accordance with FFATA requirements.

Questioned costs:

None noted.

Recommendation:

We recommend that DEMMA enhance internal controls and procedures to ensure that FFATA reporting requirements are met and supporting documentation for submission is maintained.

Views of responsible officials:

DEMA finance section has created a group account for FFATA reporting using the group email DEMAFiscal@delaware.gov to enable anyone in that section to access, edit, and submit reports as needed. This will ensure that everyone in the finance section has access to information regardless of turnover. This will also share the workload and assist with timely reporting.

**STATE OF DELAWARE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2022**

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

Reference Number:	2022-029
Prior Year Finding:	2021-027
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 (2022), 4566-DR-DE (2022), 4627-DR-DE (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. Required information includes:
 - (1) Federal Award Identification
 - (i) Subrecipient name (which must match the name associated with its unique entity identifier);
 - (ii) Subrecipient's unique entity identifier;
 - (iii) Federal Award Identification Number (FAIN);
 - (iv) Federal Award Date (see the definition of Federal award date in § 200.1 of this part) of award to the recipient by the Federal agency;
 - (v) Subaward Period of Performance Start and End Date;
 - (vi) Subaward Budget Period Start and End Date;
 - (vii) Amount of Federal Funds Obligated by this action by the pass-through entity to the subrecipient;
 - (viii) Total Amount of Federal Funds Obligated to the subrecipient by the pass-through entity including the current financial obligation;
 - (ix) Total Amount of the Federal Award committed to the subrecipient by the pass-through entity;
 - (x) Federal award project description, as required to be responsive to the Federal Funding Accountability and Transparency Act (FFATA);
 - (xi) Name of Federal awarding agency, pass-through entity, and contact information for awarding official of the Pass-through entity;
 - (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.

STATE OF DELAWARE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2022

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

- (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.
- (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 monitored the activities of its subrecipients to ensure that the subawards were used for authorized purposes, nor that it ensured its subrecipients were audited as required by 2 CFR Part 200 Subpart F – Audit Requirements (Subpart F).

Context:

- For five of five subrecipients, the following required information was not provided to the subrecipient at the time of award issuance: Federal Award Identification (FAIN), Federal award date, subaward budget period start and end date, Federal award project description as required by FFATA, name of Federal awarding agency, and Assistance Listing number and title.
- For five of five subrecipients, DEMA was unable to provide support that it monitored the activities of its subrecipients during the fiscal year to ensure that the subawards were used for authorized purposes.
- For three 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.

STATE OF DELAWARE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2022

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

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.

Not conducting during the award monitoring may result in a failure to detect that 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 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, that subrecipients are properly monitored, and that evaluation of independent audits is performed.

Views of responsible officials:

A contractor has been assigned to develop and implement internal controls to ensure all required information is included in all subawards, that subrecipients are properly monitored, and that evaluation of independent audits is performed. Subaward letters were updated in September 2022 and a monitoring protocol implemented to begin monitoring all subrecipients to date to include an evaluation of independent audits that is documented as part of the monitoring visit.

**STATE OF DELAWARE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2022**

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

Reference Number:	2022-030
Prior Year Finding:	No
Federal Agency:	U.S. Department of Education
State Department Name:	Delaware Technical Community College
Federal Program:	Student Financial Assistance Cluster
Assistance Listing Number:	84.007, 84.033, 84.063, 84.268
Award Number and Year:	July 1, 2021 to June 30, 2022
Compliance Requirement:	Special Tests and Provisions: Return of Title IV Funds
Type of Finding:	Significant Deficiency in Internal Control Over Compliance, Other Matters

Criteria or specific requirement:

Compliance: When a recipient of Title IV grant or loan assistance withdraws from an institution during a payment period or period of enrollment in which the recipient began attendance, the institution must determine the amount of Title IV aid earned by the student as of the student's withdrawal date. If the total amount of Title IV assistance earned by the student is less than the amount that was disbursed to the student or on his or her behalf as of the date of the institution's determination that the student withdrew, the difference must be returned to the Title IV programs and no additional disbursements may be made to the student for the payment period or period of enrollment.

Per the Code of Federal Regulations, 34 CFR 668.22, the amount of earned Title IV grant or loan assistance is calculated by determining the percentage of Title IV grant or loan assistance that has been earned by the student and applying that percentage to the total amount of Title IV grant or loan assistance that was or could have been disbursed to the student for the payment period or period of enrollment as of the student's withdrawal date.

The institution must return the lesser of (1) the total amount of unearned Title IV assistance, or (2) an amount equal to the total institutional charges incurred by the student for the payment period or period of enrollment multiplied by the percentage of Title IV grant or loan assistance that has not been earned by the student. If, for a non-term program an institution chooses to calculate the treatment of Title IV assistance on a payment period basis, but the institution charges for a period that is longer than the payment period, "total institutional charges incurred by the student for the payment period" is the greater of (1) the prorated amount of institutional charges for the longer period, or (2) the amount of Title IV assistance retained for institutional charges as of the student's withdrawal date.

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, 2022**

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

Condition:

Delaware Technical Community College (DTCC) did not calculate a Title IV refund for a student that had withdrawn from the institution.

Context:

Forty students who withdrew from the institution during the year were selected for testing. For 1 of 40 students, a Title IV refund was not calculated.

Questioned costs:

Undetermined.

Cause:

Controls were not operating effectively to ensure that a Title IV refund was calculated for all students who withdrew from the institution during the year. At the end of the Spring 2022 semester the student had an earned grade of "F" and the registrar's office changed the student's official grade to withdrawn after the Spring 2022 semester but did not inform Financial Aid. As such, Financial Aid never performed Title IV refund calculation for the student.

Effect:

Title IV refunds were not processed in accordance with program regulations and DTCC retained Title IV funds it had not earned.

Recommendation:

We recommend that DTCC review its procedures and controls pertaining to the return of Title IV funds to ensure that refunds are properly calculated on a timely basis.

Views of responsible officials:

Please note there is no monetary value related to this finding. The above-mentioned finding is a result of DTCC not completing an R2T4 calculation for one student that had their academic record updated after the semester in question had ended through a hardship withdrawal process. Our spring 2022 semester ended on May 14, 2022. On June, 21, 2022, the student was granted a hardship withdrawal for all courses registered and the student record was backdated to update the college's decision. While there are no changes to a student's federal aid eligibility in these instances, we are aware a calculation should have been completed to acknowledge the update within the student academic record. In response to the finding, DTCC will extend the time period for when reports are ran that identify adjustments. In addition, the member of the college's hardship withdrawal committee representing the financial aid office will notify individuals responsible for R2T4 calculations when committee approvals are decided.

**STATE OF DELAWARE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2022**

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

Reference Number:	2022-031
Prior Year Finding:	No
Federal Agency:	U.S. Department of Education
State Department Name:	Delaware Technical Community College
Federal Program:	Student Financial Assistance Cluster
Assistance Listing Number:	84.007, 84.033, 84.063, 84.268
Award Number and Year:	July 1, 2021 to June 30, 2022
Compliance Requirement:	Special Tests and Provisions: Enrollment Reporting
Type of Finding:	Significant Deficiency in Internal Control Over Compliance, Other Matters

Criteria or specific requirement:

Compliance: Institutions are required to report enrollment information under the Pell grant and the Direct and FFEL loan programs via the NSLDS, although FFEL loans are no longer made or a part of the SFA Cluster, a student may have a FFEL loan from previous years that would require enrollment reporting for that student (Pell, 34 CFR 690.83(b)(2); FFEL, 34 CFR 682.610; Direct Loan, 34 CFR 685.309). Institutions must review, update, and verify student enrollment statuses, program information, and effective dates that appear on the Enrollment Reporting Roster file or on the Enrollment Maintenance page of the NSLDS Professional Access (NSLDSFAP) website. The data on the institution's Enrollment Reporting Roster, or Enrollment Maintenance page, is what NSLDS has as the most recently certified enrollment information. There are two categories of enrollment information, "Campus Level" and "Program Level," both of which need to be reported accurately and have separate record types.

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 (DTCC) inaccurately reported the enrollment status of a student.

Context:

For 1 of 40 students selected for testing, the enrollment status was inaccurately reported for the Fall 2021 semester. The student was enrolled half-time during the fall semester, but they received an incomplete grade for one course and their status was reported as withdrawn as of 12/11/2021. However, per DTCC's Incomplete Policy, the student successfully completed the course during the following semester and the incomplete grade was retroactively changed to passing on 1/14/2022. In addition, successful completion of the course allowed the student to graduate effective 12/11/2021. Therefore, the student's status should have been reported as half-time for the fall semester and as graduated on the Spring 2022 semester report.

**STATE OF DELAWARE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2022**

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

Questioned costs:

Undetermined.

Cause:

Controls were not operating effectively to ensure that students' enrollment status was correctly reported.

Effect:

Inaccurate student enrollment information can negatively impact the Federal agency's ability to administer Title IV programs which depends heavily on the accuracy and timeliness of the enrollment information reported by institutions.

Recommendation:

We recommend that DTCC review procedures and controls pertaining to the reporting of enrollment status, particularly when a student's status changes retroactively, to ensure that enrollment status is accurately reported.

Views of responsible officials:

DTCC will implement the below corrective action plan and quality control measures. These measures include:

1. Having a single Registrar (or Registrar's Office staff member) responsible for degree reporting. This person will be responsible for coordinating efforts and ensuring degree reporting is done correctly and in compliance.
2. The degree verify report will be completed at the end of each semester and during the middle of each subsequent semester to identify any late degree awards from the previous semester.
3. Monthly audits will run to identify any students who are missed during the two planned submissions. These students will be reported to the appointed Registrar who will manually enter them into the NSCH and NSLDS, if necessary.

**STATE OF DELAWARE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2022**

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

Reference Number:	2022-032
Prior Year Finding:	No
Federal Agency:	U.S. Department of Education
State Department Name:	Delaware Technical Community College
Federal Program:	Student Financial Assistance Cluster
Assistance Listing Number:	84.007, 84.033, 84.063, 84.268
Award Number and Year:	July 1, 2021 to June 30, 2022
Compliance Requirement:	Eligibility
Type of Finding:	Significant Deficiency in Internal Control Over Compliance, Other Matters

Criteria or specific requirement:

Compliance: Undergraduate and Graduate students are eligible to receive financial aid for a limited time while pursuing a degree. Once a student exceeds 150 percent of the number of credits that it takes to obtain a degree, they will be ineligible for financial aid.

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 (DTCC) approved financial aid to students who exceeded the satisfactory academic progress (SAP) 150% credit threshold during the 2021-2022 academic year.

Context:

Two of 40 students selected for testing had attempted more than 150% of the credits required to receive an undergraduate degree but were awarded financial aid for the 2021-2022 academic year. These students had not submitted a SAP appeal.

Questioned costs:

Undetermined.

Cause:

Controls were not operating effectively to ensure that students awarded financial aid were in compliance with the SAP 150% credit threshold.

Effect:

Ineligible students were awarded financial aid for the 2021-2022 academic year.

STATE OF DELAWARE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2022

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

Recommendation:

We recommend that DTCC review procedures and controls pertaining to the eligibility of students for financial aid regarding the SAP 150% credit threshold. We further recommend that DTCC reviews the eligibility of other students enrolled during the 2022 and 2023 academic years and properly adjusts student accounts as necessary.

Views of responsible officials:

The financial aid office worked with members of our IT Applications and Web Services department to discover a failure in the script being run within Banner to identify the full student population related to the maximum credits allowed within a program of study. A system patch to the processing script is currently being developed and we anticipate this process to be in good working order April 2023 after testing.

In order to remedy the error, the financial aid office audited all Fiscal Year 2022 activity. Of the 13,333 students enrolled Title IV aid eligible programs during the 2021-22 academic year, five students (.0003%) received federal aid erroneously without the opportunity to submit an appeal. The amount of Pell and Direct Loans disbursed for these students totaled \$15,725, which reflects .0004% of the total Pell and Direct loan funds disbursed during the 2021-22 academic year by the college. We are currently taking corrective action on each student identified and will be returning all funds disbursed in error to the U.S. Dept. of Education. In addition, we are currently reassessing all Fiscal Year 2023 student records to identify and correct any student accounts not recognized in our reporting.

STATE OF DELAWARE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2022

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

Reference Number: 2022-033
Prior Year Finding: 2021-008
Federal Agency: U.S. Department of Education
State Department Name: Delaware Technical Community College
Federal Program: COVID-19 – HEERF Student Aid Portion, COVID-19 – HEERF Institutional Portion
Assistance Listing Number: 84.425E, F
Award Number and Year: P425E204740 (5/24/2020 – 6/30/2023)
P425F204690 (8/18/2020 – 6/30/2023)
Compliance Requirement: Reporting – Special Reporting
Type of Finding: Material Weakness in Internal Control Over Compliance, Material Noncompliance

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.

Annual Report: All HEERF recipients are required to submit an annual report for the calendar year ending December 31, 2021 no later than May 6, 2022.

Quarterly Public Reporting-Student Aid Portion: Institutions must publicly post certain information on their website. Institutions must publicly post their report as soon as possible, but no later than 30 days after the publication of the notice or 30 days after the date ED first obligated funds under HEERF I, II, or III to the institution for Emergency Financial Aid Grants to Students, whichever comes later. The report must be updated no later than 10 days after the end of each calendar quarter (September 30, and December 31, March 31, June 30).

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:

Certain line items reported on the 2021 Annual Report and quarterly Student Aid Portion reports filed during FY 2022 by Delaware Technical Community College (DTCC) did not agree to supporting documentation. In addition, supporting documentation was unavailable for one quarterly Student Aid Portion report.

Context:

The 2021 Annual Report and two quarterly Student Aid Portion reports were selected for testing. We noted the following exceptions:

STATE OF DELAWARE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2022

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

- The amount of Emergency Grants reported on the 2021 Annual Report did not agree with supporting documentation. The amount reported was \$7,447,850 but supporting documentation was \$5,923,898.
- For one of two quarterly Student Aid Portion reports, DTCC was unable to provide any supporting documentation. Neither documentation of the reporting narrative nor that the report had been posted on DTCC's website were available for the report for the quarter ending 12/31/2021.
- For one of two quarterly Student Aid Portion reports, documentation for two key line items did not agree to the amounts reported. Documentation supporting the amount of Emergency Financial Aid Grants distributed to students (Item #3) and the number of students who have received an Emergency Financial aid Grant (Item #5) did not agree to the amounts reported for the quarter ending 9/30/2021. The Student Narrative Report showed \$5,797,455 and 635 students vs. \$1,139,130.00 and 1,422 students on the student ledger.

Questioned costs:

Undetermined.

Cause:

DTCC's procedures and controls were insufficient to ensure that it maintained documentation supporting the Annual Report and Quarterly Student Aid Portion reports, that it posted reports on its website timely, and that documentation was available for audit.

Effect:

DTCC was unable to provide documentation supporting reported information for special reports submitted during FY2022.

Recommendation:

DTCC should review and enhance internal controls and procedures to ensure that it maintains documentation supporting the Annual Report and the quarterly student aid portion reports and that this documentation is available for audit.

Views of responsible officials:

DTCC's 2021 Year 2 Annual HEERF-Student Aid report table (Page 3 Table 8a Row 2) was corrected March 24, 2023 and in agreement with Delaware Tech's student ledger detail (Banner student accounting system extract) when the federal reporting system was open for limited system data entry time. The Year 2 report was corrected and resubmitted as 2022 Year 3 Annual HEERF report filed. Filing is saved for audit review per federal system acceptance communicated.

Additional Fiscal Accounting staff have trained to assist the Financial Aid Office with Quarterly HEERF Student Aid Reporting, report posting within 10 days post quarter end, and grant records management for immediate availability. DTCC continues to review and enhance our HEERF reporting internal controls with reports compiled and confirmed by a team ensuring multiple layers of reconciliation and final system report filing confirmation. Improved data summaries from system extracts with use of website tracking and snapshots at a single point-in-time are in place to support timely reporting and audit verification with DTCC's quarterly and cumulative student award disbursement ledger detail. All website update requests will occur via use of DTCC's Web Request ticketing system ending with a copy of the site update each quarter.

CORRECTIVE ACTION PLAN



DEPARTMENT OF EDUCATION

Townsend Building
401 Federal Street Suite 2
Dover, Delaware 19901-3639
<http://education.delaware.gov>

Mark A. Holodick, Ed.D.
Secretary of Education
(302) 735-4000
(302) 739-4654 - fax

Reference Number: 2022-003
Prior Year Finding: No
Federal Agency: U.S. Department of Agriculture
State Department Name: Department of Education
Federal Program: Child Nutrition Cluster
Assistance Listing Number: 10.553, 10.555, 10.559, 10.582
Award Number and Year: 1DE303301 (10/1/2020 – 9/30/2022)
Compliance Requirement: Suspension and Debarment
Type of Finding: Significant Deficiency in Internal Control Over Compliance, Other Matters

Recommendation:

The Department should ensure policies and procedures include the three options for determining suspension and debarment status listed in 2 CFR 180.300 and that controls are sufficient to ensure that the suspension and debarment status is verified for all subrecipients prior to issuance of the subawards.

Explanation of disagreement with audit finding:

There is no disagreement with the audit finding.

Action taken in response to finding:

The Delaware Department of Education (DDOE) Nutrition Team will update the online School Nutrition application to include a certification statement similar to the statement below.

Have any current principal staff been debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.

☐ Yes

☒ No

The DDOE Nutrition Team will check SAM exclusions on sam.gov until the application is updated.

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

- Jeremy Coleman, Support Staff
- Marianne Bernardi, Support Staff

Planned completion date for corrective action plan: April 28, 2023

OFFICE OF THE
DIRECTOR



P.O. BOX 9950
WILMINGTON, DELAWARE 19809

Reference Number:	2022-004
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:	UI340502055A10 (10/1/2019 – 12/31/2022), UI347072055A10 (4/1/2020 – 6/30/2023), UI372152255A10 (10/1/2021 – 12/31/2024)
Compliance Requirement:	Special Tests and Provisions – UI Benefit Payments
Type of Finding:	Material Weakness in Internal Control Over Compliance, Material Noncompliance

Recommendation:

We recommend the Division review and enhance procedures and controls to ensure that BAM case investigations are completed timely in accordance with the time limits established in the ET Handbook No. 395.

Explanation of disagreement with audit finding:

There is no disagreement with the audit finding.

The BAM Unit experienced high turnover volumes during the pandemic, creating a backlog of UI Benefit investigations. The pandemic also changed the workforce dynamic, creating a culture of fully remote jobs in many job markets, which left most State agencies struggling to fill positions; because of this, State Government lost its competitive edge as an employer, resulting in low applicant response to job postings. It took the BAM unit several job reposting's to get vacancies filled. However, we have filled most of the vacancies and will conduct interviews on Friday, 03/24/23, to fill the remaining two vacancies in the unit. We also recently made a change to our training strategy. There will be consecutive weeks of training in a classroom setting, along with OTJT. The BAM unit also assigns all available NASWA training to new hires during their first weeks of employment. We chose this training strategy to provide

all new hires with consistent training to ensure understanding of the BAM investigative process. In addition, we will be hiring a Sr. accountant who will focus on all backlog items only. We are also in the process of converting all paper-driven methods to fully electronic ones. All BAM employees will receive the necessary tools, training, and work-from-home equipment for working successfully from home, allowing us to maintain production in case of another catastrophic event.

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

Edward Gregware, Ann Marie Vanderhout, and Marie Cameron

Planned completion date for corrective action plan: The management team is working on a plan to resolve all case investigation backlogs. We will be hiring a Sr. Accountant who will focus solely on backlogged cases. We now have three QC BAM auditors and will be hiring a fourth. Once fully trained, all BAM auditors will be assigned 7 cases weekly to complete within 45 days to ensure we meet the time frames established in the ETA Handbook No. 395. An auditor takes approximately 3 to 6 months to train and operate independently. At a minimum, it will take around 12 to 18 months to get new hires properly trained and backlogs resolved.

OFFICE OF THE
DIRECTOR



P.O. BOX 9950
WILMINGTON, DELAWARE 19809

Reference Number: 2022-005
Prior Year Finding: 2021-005
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: UI340502055A10 (10/1/2019 – 12/31/2022), UI347072055A10 (4/1/2020 – 6/30/2023), UI372152255A10 (10/1/2021 – 12/31/2024)
Compliance Requirement: Special Tests and Provisions – Employer Experience Rating
Type of Finding: Material Weakness in Internal Control over Compliance, Material Noncompliance

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:

MERIT rating was completed on a Emergency Rule due to COVID 19 pandemic. Mainframe system required manual intervention to complete this special law. DOL does not consider the rate the employer places on the UC8 tax form only the rate assessed. The accounts that were incorrect were a result of the special rule and needed constant manual intervention. Should an overpayment occur DOL notifies employer of credit and allows them to utilize that on future quarterly payments. If the credit cannot be used we issue a check for the refund. DOL Staff created Emergency Rule 21 changing the tax table to correct the mainframe issue.

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

Laura Henderson

Planned completion date for corrective action plan:

Resolved

OFFICE OF THE
DIRECTOR



P.O. BOX 9950
WILMINGTON, DELAWARE 19809

Reference Number: 2022-006
Prior Year Finding: 2021-003
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: UI340502055A10 (10/1/2019 – 12/31/2022), UI347072055A10 (4/1/2020 – 6/30/2023), UI372152255A10 (10/1/2021 – 12/31/2024)
Compliance Requirement: Reporting – ETA 2208A, Quarterly UI Above-Base Report
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 ETA 2208A – Quarterly UI Above-Base Reports are submitted no later than 30 days after the end of each quarter.

Explanation of disagreement with audit finding:

There is no disagreement with the audit finding.

Action taken in response to finding: The Fiscal department has added to our Policy and Procedures the terms of the reporting period being 30 days after then end of the quarter. It was also posted on a group calendar to begin work on the reports at 20 days after quarter end.

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

Planned completion date for corrective action plan: 01/03/2023

OFFICE OF THE
DIRECTOR



P.O. BOX 9950
WILMINGTON, DELAWARE 19809

Reference Number:	2022-007
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:	UI340502055A10 (10/1/2019 – 12/31/2022), UI347072055A10 (4/1/2020 – 6/30/2023), UI372152255A10 (10/1/2021 – 12/31/2024)
Compliance Requirement:	Reporting – ETA 9050 - Time Lapse of All First Payments except Workshare Report
Type of Finding:	Significant Deficiency in Internal Control Over Compliance, Other Matters

Recommendation:

The Division should review and enhance procedures and internal controls to ensure that ETA 9050 reports are submitted timely, by the 20th of the month following the month to which the data relates.

Explanation of disagreement with audit finding:

There is no disagreement with the audit finding.

Action taken in response to finding:

DE has put a process in place to monitor and track the progress and timeliness of all ETA reporting. Auto-reminders will be created to notify all units responsible for ETA reports two weeks before the due date.

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

Marie Cameron

Planned completion date for corrective action plan:

Timeliness Issue corrected. The ETA 9050 has been submitted timely for the months following 12/31/2021, except for the report period 07/31/2022.

Auto reminders will be completed by 4/15/2023

OFFICE OF THE
DIRECTOR



P.O. BOX 9950
WILMINGTON, DELAWARE 19809

Reference Number: 2022-008
Prior Year Finding: No
Federal Agency: U.S. Department of Labor
State Department Name: Department of Labor
Federal Program: Division of Unemployment Insurance
Unemployment Insurance, COVID-19 – Unemployment Insurance
Assistance Listing Number: 17.225
Award Number and Year: UI340502055A10 (10/1/2019 – 12/31/2022), UI347072055A10 (4/1/2020 – 6/30/2023), UI372152255A10 (10/1/2021 – 12/31/2024)
Compliance Requirement: Reporting – ETA 9130, Financial Status Report, UI Programs
Type of Finding: Significant Deficiency in Internal Control Over Compliance, Other Matters

Recommendation:

We recommend the Division review and enhance procedures and internal controls to ensure that ETA 9130 reports are submitted accurately and that they tie to supporting documentation.

Explanation of disagreement with audit finding:

There is no disagreement with the audit finding.

Action taken in response to finding: The Fiscal department has added to our Policy and Procedures the terms of the reporting period being 45 days after then end of the quarter. It was also posted on a group calendar to begin work on the reports at 30 days after quarter end.

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

Planned completion date for corrective action plan: 01/03/2023

OFFICE OF THE
DIRECTOR



P.O. BOX 9950
WILMINGTON, DELAWARE 19809

Reference Number:	2022-009
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:	UI340502055A10 (10/1/2019 – 12/31/2022), UI347072055A10 (4/1/2020 – 6/30/2023), UI372152255A10 (10/1/2021 – 12/31/2024)
Compliance Requirement:	Eligibility
Type of Finding:	Significant Deficiency in Internal Control Over Compliance, Other Matters

Recommendation:

We recommend the Division review and enhance procedures and controls to ensure that it retains documentation for claimant eligibility and that benefit payments are accurate in accordance with program requirements.

Explanation of disagreement with audit finding:

There is no disagreement with the audit finding.

Action taken in response to finding:

We will continue to utilize and enhance of customer service management tools and centralize where documentation is retained. We will continue to review program requirements and ensure they are reviewed, and implemented, and processed correctly. We will review and ask for clarity regarding UIPLs when there is a discrepancy. We are also looking to modernization our systems to house all our documentations.

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

Shannon Lolley – UI Administrator

Planned completion date for corrective action plan:



STATE OF DELAWARE
Office of the Governor

Reference Number: 2022-010
Prior Year Finding: No
Federal Agency: U.S. Department of the Treasury
State Department Name: Office of the Governor
Federal Program: COVID-19 – Coronavirus State and Local Fiscal Recovery Funds
Assistance Listing Number: 21.027
Award Number and Year: SLFRP0139 (3/3/2021 – 12/31/2024)
SLFRP2629 (3/3/2021 – 12/31/2024)
Compliance Requirement: Reporting
Type of Finding: Material Weakness in Internal Control Over Compliance,
Material Noncompliance

Recommendation:

The Office should enhance its procedures and internal controls regarding preparation of the Project and Expenditure Reports to ensure that information reported is accurate and agrees to supporting documentation. We further recommend that the Office work with State agencies which incur costs under the program to develop procedures and controls to ensure that they provide accurate information to the Office on a timely basis to facilitate timely and accurate project reporting.

Explanation of disagreement with audit finding:

There is no disagreement with the audit finding but here is our explanation. The American Rescue Plan State and Local Fiscal Recovery Funds are awarded in advance to our subrecipients based on language in each subrecipient agreement. Within United States Treasury's reporting portal, we are required to report subawards for each subrecipient and related expenditures and programmatic details. We made the decision to report subrecipient activity for each subaward based on the quarterly data provided to our team. For instance, a subrecipient awarded \$50,000 with quarterly expenditures of \$10,000 were reported as expending \$10,000 on the quarterly UST Project and Expenditure report. This decision was made because it most accurately accounted for the status of a project and the utilization of the funding. This approach resulted in a discrepancy between the expenses in FSF and the UST reporting. Based on guidance from CLA, coming out of the single audit, our team will be reporting the subrecipient activity as the amount paid to each, not based on the expenses of their subaward. A subrecipient awarded and paid \$50,000 will be reported as an expenditure of \$50,000. We will continue to track and capture subrecipient utilization of the funding through compliance monitoring and quarterly updates. The previously reported amounts in U.S. Treasury's system will be adjusted for the quarter ending March 31, 2023. This action will resolve CLA's reporting finding. CLA will test the 3/31/23 and 6/30/23 reports during next year's single audit to ensure the finding was corrected.



STATE OF DELAWARE
Office of the Governor

Action taken in response to finding: Beginning with the March 31, 2023 ARPA SLFRF report, we will report expenditures based on payments made to our subrecipients. Previously, expenditures were reported based on actual subrecipient activity in order to better represent the progress of the project. Since the subrecipients were provided funding in advance, the expenditures to be reported should have been the amount of advanced funding that was provided. Ongoing compliance monitoring efforts will continue to capture subrecipient expenditure details on a quarterly basis to ensure we can properly track the project status.

Name(s) of the contact person(s) responsible for corrective action: Kyle Pritchard & William Lindewirth

Planned completion date for corrective action plan: April 30, 2023.



**Delaware Health
and Social Services**

Office of the Secretary

1901 N. DUPONT HIGHWAY, NEW CASTLE, DE 19720 * TELEPHONE: 302-255-9040 FAX: 302-255-4429

Reference Number: 2022-011
Prior Year Finding: No
Federal Agency: U.S. Department of the Treasury
State Department Name: Department of Health and Social Services
State Division Name: Division of Social Services
Federal Program: COVID-19 – Coronavirus State and Local Fiscal Recovery Funds
Assistance Listing Number: 21.027
Award Number and Year: SLFRP0139 (3/3/2021 – 12/31/2024)
SLFRP2629 (3/3/2021 – 12/31/2024)
Compliance Requirement: Procurement, Suspension & Debarment
Type of Finding: Significant Deficiency in Internal Control Over Compliance, Other Matters

Recommendation:

The Division should review and enhance controls and procedures to ensure that it follows the State's procurement policy and Federal suspension and debarment regulations 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:

We agree with the auditor's recommendation. Ongoing meeting, training, and monitoring have helped and will continue to help DSS staff to achieve compliance. The following actions have been taken to improve the Procurement process.

- Program unit staff will receive Procurement Bootcamp training on contract rules.
- Program unit & Fiscal unit staff will monitor and track all contracts, MOU/MOA's and agreement so they are in compliance with State Procurement policy.
- Fiscal unit will ensure they have an approval to pay for any invoices.
- Conduct monthly meetings with OSEC CMP Managers and DSS Fiscal unit.

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

Thomas Hall, DSS Director
Victor Ting, DSS Chief of Administration
Janneen Boyce, DSS Policy, Social Service Chief Administrator
Joanne Sunga, DSS Fiscal, Social Service Chief Administrator

Planned completion date for corrective action plan:

- Procurement Bootcamp training was completed March 22, 2023.
- Procurement monitoring, ongoing.
- Fiscal approval workflow, ongoing.
- Monthly Procurement meeting, ongoing.



**Delaware Health
And Social Services**

Office of the Secretary

1901 N. DUPONT HIGHWAY, NEW CASTLE, DE 19720 * TELEPHONE 302-255-9040 FAX 302-255-4429

Reference Number: 2022-012
Prior Year Finding: 2021-010
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: 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:

To strengthen its process, the Division of Public Health's Laboratory (DPHL) will revise its Standard Operating Procedure (SOP) to add First State Financials (FSF) payroll reconciliation as the primary method of time tracking validation. DPHL had been using historic Division organizational charts to manually reconcile monthly payroll charges, which was inefficient. Having access to the FSF payroll records for the entire period allows us to search for staff charged improperly and resolve issues quickly.

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:

June 30, 2023.



**Delaware Health
And Social Services**

Office of the Secretary

1901 N. DUPONT HIGHWAY, NEW CASTLE, DE 19720 * TELEPHONE 302-255-9040 FAX 302-255-4429

Reference Number: 2022-013
Prior Year Finding: 2021-011
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: Significant Deficiency in Internal Control Over Compliance, Other Matters

Recommendation:

The Division should review and enhance internal controls and procedures to ensure that quarterly Progress Monitoring 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 of Public Health (DPH) filed its quarterly Progress Monitoring reports timely but failed to maintain supporting documentation. DPH is saving all reports as PDF documents as they are submitted to the Federal Program via REDCap to timestamp the submission dates. The Federal Program announced that they were switching from the REDCap system to the CAMP system for compliance reporting. We verified that the CAMP system will not have the function to pull timestamped records, therefore we will continue the process of saving PDF documents from the new system, to show timely submission.

DPH will continue evaluate the current process for submission of the compliance reporting to check for gaps in the process.

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:

June 30, 2023



**Delaware Health
And Social Services**

Office of the Secretary

1901 N. DUPONT HIGHWAY, NEW CASTLE, DE 19720 * TELEPHONE 302-255-9040 FAX 302-255-4429

Reference Number:	2022-014
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:	Delaware Health Care Commission (DHCC)
Federal Program:	1332 State Innovation Waivers
Assistance Listing Number:	93.423
Award Number and Year:	SIWIW200012 (1/1/2020 – 12/31/2024)
Compliance Requirement:	Reporting – Quarterly Performance Reports
Type of Finding:	Significant Deficiency in Internal Control over Compliance, Other Matters

Recommendation:

DHCC should review and enhance its reporting procedures and controls to ensure that quarterly performance reports are submitted no later than 60 days after the end of each quarter.

Explanation of disagreement with audit finding:

There is no disagreement with the audit finding.

Action taken in response to finding:

DHCC will review and enhance its reporting procedures and controls to ensure timely reporting. Specifically, DHCC will make sure all reporting deadlines are added to DHCC calendar.

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

Elisabeth Massa, DHCC Executive Director

Planned completion date for corrective action plan:

April 3, 2023



**Delaware Health
And Social Services**

Office of the Secretary

1901 N. DUPONT HIGHWAY, NEW CASTLE, DE 19720 * TELEPHONE 302-255-9040 FAX 302-255-4429

Reference Number: 2022-015
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 Social Services
Federal Program: Temporary Assistance for Needy Families
Assistance Listing Number: 93.558
Award Number and Year: 20210DETANF (10/1/2019 – 9/30/2025), 2222DETANF (10/1/2021 – 9/30/2026)
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 of Social Services (DSS) will review and strengthen its internal controls in regard to time and effort reporting to ensure it can substantiate all reimbursements from federal programs.

The following specific actions will be taken to improve the current process.

- Reconcile actual costs to budgeted distributions
- Conduct semi-annual reconciliations of Semi-Annual Certification forms and quarterly reconciliations of T&E forms with budgeted distributions.
- Reconcile Personnel Summary with Earning Distribution Page.
- Implement internal controls for Time and Effort Reporting.
- Confirm that T&E information submitted is accurate and reconciled.
- Provide training for T&E certification.

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

Victor Ting – DSS Chief of Administration
Joanne Sunga – DSS Social Service Chief Administrator

Planned completion date for corrective action plan:

September 30, 2023



**Delaware Health
And Social Services**

Office of the Secretary

1901 N. DUPONT HIGHWAY, NEW CASTLE, DE 19720 * TELEPHONE 302-255-9040 FAX 302-255-4429

Reference Number: 2022-016
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 Social Services (DSS)
Federal Program: Temporary Assistance for Needy Families (TANF)
Assistance Listing Number: 93.558
Award Number and Year: 20210DETANF (10/1/2019 – 9/30/2025), 2222DETANF (10/1/2021 – 9/30/2026)
Compliance Requirement: Reporting – ACF-196R, TANF Financial Report
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 ACF-196R TANF Financial Reports are submitted no later than 45 days after the end of each quarter.

Explanation of disagreement with audit finding:

There is no disagreement with the audit finding.

Action taken in response to finding:

The Division has reviewed and updated its reporting procedures and controls to ensure all federal reports are submitted timely. The following specific actions have been taken to improve the current process.

- An internal controls checklist has been developed for Federal Financial Reporting.
- Federal Financial Report staff training was completed with OSEC grants unit.
- The frequency and due dates of Financial Reporting were distributed to leadership and Fiscal unit.
- Reminders on Submitting Federal Financial Reports are on Chief Fiscal calendar.

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

Victor Ting – DSS Chief of Administration
Joanne Sunga – DSS Social Service Chief Administration

Planned completion date for corrective action plan:

December 31, 2022



**Delaware Health
And Social Services**

Office of the Secretary

1901 N. DUPONT HIGHWAY, NEW CASTLE, DE 19720 * TELEPHONE 302-255-9040 FAX 302-255-4429

Reference Number: 2022-017
Prior Year Finding: 2021-013
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: COVID-19 – Low-Income Home Energy Assistance
Assistance Listing Number: 93.568
Award Number and Year: 2001DELIEA (10/1/2019 – 9/30/2021), 2101DELIEA (10/10/2020 – 9/30/2022), 2010DEE5C6 (3/11/2021 – 9/30/2022), 2201DELIEA (10/1/2021 – 9/30/2023)
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 has developed internal controls and procedures to ensure that FFATA reporting requirements are met and subawards are reported accurately and timely to FSRs. Specifically, the Division and Fiscal staff will work together to collect required information from the contractors and enter the FFATA information into FSRs portal. All contracts will have additional pages (through appendices) to collect information for FFATA reporting.

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

Christopher Antonio
Haly Laasme-McQuilkin

Planned completion date for corrective action plan:

June 30, 2023



**Delaware Health
And Social Services**

Office of the Secretary

1901 N. DUPONT HIGHWAY, NEW CASTLE, DE 19720 * TELEPHONE 302-255-9040 FAX 302-255-4429

Reference Number: 2022-018
Prior Year Finding: 2021-014
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: 2205DE5021 (10/1/2021 – 9/30/2023)
Compliance Requirement: Period of Performance
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 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 reported expenditures based on the date of the federal draw to ensure that the expenditures occurred within the period reported.

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

Unkyong Goldie

Planned completion date for corrective action plan:

September 30, 2023



**Delaware Health
And Social Services**

Office of the Secretary

1901 N. DUPONT HIGHWAY, NEW CASTLE, DE 19720 * TELEPHONE 302-255-9040 FAX 302-255-4429

Reference Number: 2022-019
Prior Year Finding: No
Federal Agency: U.S. Department of Health and Human Services Department of
State Department Name: Health and Social Services
State Division Name: Division of Medicaid and Medical Assistance
Federal Program: Children's Health Insurance Program
Medicaid Cluster
Assistance Listing Number: 93.767, 93.775, 93.777, 93.778
Award Number and Year: 2105DE5021 (10/1/2020 – 9/30/2022), 2205DE5021
(10/1/2021 – 9/30/2023)
2105DE5MAP (10/1/2020 – 9/30/2021), 2205DE5MAP
(10/1/2021 – 9/30/2022)
Compliance Requirement: Special Tests and Provisions – Medical Loss Ratio
Type of Finding: Significant Deficiency in Internal Control Over Compliance

Recommendation:

The Division should review and enhance its procedures and controls regarding MLR reporting to ensure that supporting documentation is readily available upon audit request.

Explanation of disagreement with audit finding:

There is no disagreement with the audit finding.

Action taken in response to finding:

The Division will review internal controls and archiving process to ensure all required MLR reporting support documentation is provided in a timely manner during the audit.

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

Michele Stant

Planned completion date for corrective action plan:

June 30, 2023



**Delaware Health
And Social Services**

Office of the Secretary

1901 N. DUPONT HIGHWAY, NEW CASTLE, DE 19720 * TELEPHONE 302-255-9040 FAX 302-255-4429

Reference Number: 2022-020
Prior Year Finding: 2021-016
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
Medicaid Cluster
Assistance Listing Number: 93.767, 93.775, 93.777, 93.778
Award Number and Year: 2105DE5021 (10/1/2020 – 9/30/2022), 2205DE5021
(10/1/2021 – 9/30/2023)
2105DE5MAP (10/1/2020 – 9/30/2021), 2205DE5MAP
(10/1/2021 – 9/30/2022)
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 develop a process to ensure the contracted MCO's have received an independent audit, as required, and that the results of that audit are posted to the website. In addition, the Division will also utilize our independent Actuary CPA to review the financial data of MCO's as an additional step in the review process.

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

Kathleen Dougherty
Michele Stant

Planned completion date for corrective action plan:

June 30, 2023



**Delaware Health
And Social Services**

Office of the Secretary

1901 N. DUPONT HIGHWAY, NEW CASTLE, DE 19720 * TELEPHONE 302-255-9040 FAX 302-255-4429

Reference Number: 2022-021
Prior Year Finding: 2021-015
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
Medicaid Cluster
Assistance Listing Number: 93.767, 93.775, 93.777, 93.778
Award Number and Year: 2105DE5021 (10/1/2020 – 9/30/2022), 2205DE5021
(10/1/2021 – 9/30/2023)
2105DE5MAP (10/1/2020 – 9/30/2021), 2205DE5MAP
(10/1/2021 – 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 is reevaluating the current process for validating non-Par provider eligibility. This includes developing additional training for determining and monitoring provider eligibility and researching best practices in this area. The Division will also complete more thorough reviews and exercise increased supervisory oversight around the provider eligibility processes.

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

Kathleen Dougherty

Planned completion date for corrective action plan:

September 30, 2023



**Delaware Health
And Social Services**

Office of the Secretary

1901 N. DUPONT HIGHWAY, NEW CASTLE, DE 19720 * TELEPHONE 302-255-9040 FAX 302-255-4429

Reference Number: 2022-022
Prior Year Finding: 2021-020
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
Assistance Listing Number: 93.788
Award Number and Year: 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 will reevaluate its current process, implement proper controls for FFATA reporting standards, and ensure subawards are reviewed timely. In addition, staff will be assigned to verify information prior to being keyed into 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:

October 31, 2023



**Delaware Health
And Social Services**

Office of the Secretary

1901 N. DUPONT HIGHWAY, NEW CASTLE, DE 19720 * TELEPHONE 302-255-9040 FAX 302-255-4429

Reference Number: 2022-023
Prior Year Finding: 2021-018
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
Assistance Listing Number: 93.788
Award Number and Year: H79TI083305 (9/30/2020 – 9/29/2022)
Compliance Requirement: Subrecipient Monitoring
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 proper subrecipient monitoring is conducted in accordance with Federal regulations.

Explanation of disagreement with audit finding:

There is no disagreement with the audit finding.

Action taken in response to finding:

The Division has been working to implement corrective action. DSAMH continues to update and enhance policies and procedures to ensure that proper subrecipient monitoring is conducted in accordance with Federal regulations.

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:

October 31, 2023



**Delaware Health
And Social Services**

Office of the Secretary

1901 N. DUPONT HIGHWAY, NEW CASTLE, DE 19720 * TELEPHONE 302-255-9040 FAX 302-255-4429

Reference Number: 2022-024
Prior Year Finding: 2021-024
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, COVID-10 - Block Grants for Prevention and Treatment of Substance Abuse
Assistance Listing Number: 93.959
Award Number and Year: 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 has been working to implement corrective action. DSAMH continues to update and enhance policies and procedures to ensure that proper subrecipient monitoring is conducted in accordance with Federal regulations.

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:

October 31, 2023



**Delaware Health
And Social Services**

Office of the Secretary

1901 N. DUPONT HIGHWAY, NEW CASTLE, DE 19720 * TELEPHONE 302-255-9040 FAX 302-255-4429

Reference Number: 2022-025
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: Block Grants for Prevention and Treatment of Substance Abuse, COVID-19 - Block Grants for Prevention and Treatment of Substance Abuse
Assistance Listing Number: 93.959
Award Number and Year: B08TI083060 (10/1/2019 – 9/30/2021), B08TI083488 (10/1/2020 – 9/30/2022)
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 will reevaluate its current process, implement proper controls for FFATA reporting standards, and ensure subawards are reviewed timely. In addition, staff will be assigned to verify information prior to being keyed into FSRs.

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

Mequoria Bowden, Chief of Administration, Office of the Secretary

Planned completion date for corrective action plan:

October 31, 2023



**Delaware Health
And Social Services**

Office of the Secretary

1901 N. DUPONT HIGHWAY, NEW CASTLE, DE 19720 * TELEPHONE 302-255-9040 FAX 302-255-4429

Reference Number: 2022-026
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, COVID-19 - Block Grants for Prevention and Treatment of Substance Abuse
Assistance Listing Number: 93.959
Award Number and Year: B08TI083060 (10/1/2019 – 9/30/2021), B08TI083488 (10/1/2020 – 9/30/2022)
Compliance Requirement: Level of Effort
Type of Finding: Material Weakness in Internal Control Over Compliance, Material Noncompliance

Recommendation:

The Division should review and enhance procedures and internal controls to ensure that it expends State funds in accordance with level of effort requirements.

Explanation of disagreement with audit finding:

There is no disagreement with the audit finding.

Action taken in response to finding:

The Division will review and enhance its procedures and internal controls to ensure that it expends State funds in accordance with level of effort requirements. This review is to include a more detailed procedure for gathering and organizing data from the state's accounting system. Division program staff believe that this requirement was in fact met; however, the current process documentation is not clear enough to provide the level of support needed for the audit.

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

Vivek Maharaj, DSAMH Grants

Planned completion date for corrective action plan:

June 30, 2023



**Delaware Health
And Social Services**

Office of the Secretary

1901 N. DUPONT HIGHWAY, NEW CASTLE, DE 19720 * TELEPHONE 302-255-9040 FAX 302-255-4429

Reference Number: 2022-027
Prior Year Finding: 2021-025
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, COVID-19 - Block Grants for Prevention and Treatment of Substance Abuse
Assistance Listing Number: 93.959
Award Number and Year: 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, 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 reevaluate its current process, implement proper controls, and perform additional training over time and effort reporting. The Division will not seek federal reimbursement unless it 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:

October 31, 2023



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: 2022-028

Prior Year Finding: No

Federal Agency: U.S. Department Homeland Security

State Agency: Department of Safety and Homeland Security, Federal
Emergency Management Agency (FEMA)

State Division: 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 (2022), 4566-DR-DE
(2022), 4627-DR-DE (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 DEMA enhance internal controls and procedures to ensure that FFATA reporting requirements are met and supporting documentation for submission is maintained.

Explanation of disagreement with audit finding:

There is no disagreement with the audit finding.

Action taken in response to finding:

DEMA finance section has created a group account for FFATA reporting using the group email DEMAFiscal@delaware.gov to enable anyone in that section to access, edit, and submit reports as needed. This will ensure that everyone in the finance section has access to information regardless of turnover. This will also share the workload and assist with timely reporting.

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

Frances Cordell

Manager, Support Services

(302) 659-2244 (office)

(302) 222-6565 (mobile)

Planned completion date for corrective action plan:

March 20, 2023



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: 2022-029

Prior Year Finding: 2021-027

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 (2022), 4566-DR-DE
(2022), 4627-DR-DE (2022)

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, that subrecipients are properly monitored, 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 has been assigned to develop and implement internal controls to ensure all required information is included in all subawards, that subrecipients are properly monitored, and that evaluation of independent audits is performed. Subaward letters were updated in September 2022 and a monitoring protocol implemented to begin monitoring all subrecipients to date to include an evaluation of independent audits that is documented as part of the monitoring visit.

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

Tramaine Childs

Disaster Recovery Specialist

Innovative Emergency Management Inc.

318.278.2813 (Mobile)

Tramaine.Childs@iem.com

Planned completion date for corrective action plan:

September 26, 2022



Reference Number:	2022-030
Prior Year Finding:	No
Federal Agency:	U.S. Department of Education
State Department Name:	Delaware Technical Community College
Federal Program:	Student Financial Assistance Cluster
Assistance Listing Number:	84.007, 84.033, 84.063, 84.268
Award Period:	July 1, 2021 to June 30, 2022
Compliance Requirement:	Special Tests and Provisions: Return of Title IV Funds
Type of Finding:	Significant Deficiency in Internal Control Over Compliance, Other Matters

Recommendation:

We recommend that DTCC review its procedures and controls pertaining to the return of Title IV funds to ensure that refunds are properly calculated on a timely basis.

Explanation of disagreement with audit finding:

There is no disagreement with the audit finding.

Action taken in response to finding: Please note there is no monetary value related to this finding. The above-mentioned finding is a result of DTCC not completing an R2T4 calculation for one student that had their academic record updated after the semester in question had ended through a hardship withdrawal process. Our spring 2022 semester ended on May 14, 2022. On June, 21, 2022, the student was granted a hardship withdrawal for all courses registered and the student record was backdated to update the college's decision. While there are no changes to a student's federal aid eligibility in these instances, we are aware a calculation should have been completed to acknowledge the update within the student academic record. In response to the finding, DTCC will extend the time period for when reports are ran that identify adjustments. In addition, the member of the college's hardship withdrawal committee representing the financial aid office will notify individuals responsible for R2T4 calculations when committee approvals are decided.

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

Brian Keister, Collegewide Director of Financial Aid
Veronica Oney, Financial Aid Officer

Planned completion date for corrective action plan:

March 2023 (immediately)



Reference Number:	2022-031
Prior Year Finding:	No
Federal Agency:	U.S. Department of Education
State Department Name:	Delaware Technical Community College
Federal Program:	Student Financial Assistance Cluster
Assistance Listing Number:	84.007, 84.033, 84.063, 84.268
Award Period:	July 1, 2021 to June 30, 2022
Compliance Requirement:	Special Tests and Provisions: Enrollment Reporting
Type of Finding:	Significant Deficiency in Internal Control Over Compliance, Other Matters

Recommendation:

We recommend that DTCC review procedures and controls pertaining to the reporting of enrollment status, particularly when a student's status changes retroactively, to ensure that enrollment status is accurately reported.

Explanation of disagreement with audit finding:

There is no disagreement with the audit finding.

Action taken in response to finding:

The college will implement the below corrective action plan and quality control measures. These measures include:

1. Having a single Registrar (or Registrar's Office staff member) responsible for degree reporting. This person will be responsible for coordinating efforts and ensuring degree reporting is done correctly and in compliance.
2. The degree verify report will be completed at the end of each semester and during the middle of each subsequent semester to identify any late degree awards from the previous semester.
3. Monthly audits will run to identify any students who are missed during the two planned submissions. These students will be reported to the appointed Registrar who will manually enter them into the NSCH and NSLDS, if necessary.

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

Amanda Thompson, Owens Campus Registrar

Planned completion date for corrective action plan:

March 2023 (immediately)



No Reference Number: 2022-032
Prior Year Finding: No
Federal Agency: U.S. Department of Education
State Department Name: Delaware Technical Community College
Federal Program: Student Financial Assistance Cluster
Assistance Listing Number: 84.007, 84.033, 84.063, 84.268
Award Period: July 1, 2021 to June 30, 2022
Compliance Requirement: Eligibility
Type of Finding: Significant Deficiency in Internal Control Over Compliance, Other Matters

Recommendation:

We recommend that DTCC review procedures and controls pertaining to the eligibility of students for financial aid regarding the SAP 150% credit threshold. We further recommend that DTCC reviews the eligibility of other students enrolled during the 2022 and 2023 academic years and properly adjusts student accounts as necessary.

Explanation of disagreement with audit finding:

There is no disagreement with the audit finding.

Action taken in response to finding: The financial aid office worked with members of our IT Applications and Web Services department to discover a failure in the script being run within Banner to identify the full student population related to the maximum credits allowed within a program of study. A system patch to the processing script is currently being developed and we anticipate this process to be in good working order April 2023 after testing.

In order to remedy the error, the financial aid office audited all Fiscal Year 2022 activity. Of the 13,333 students enrolled Title IV aid eligible programs during the 2021-22 academic year, five students (.0003%) received federal aid erroneously without the opportunity to submit an appeal. The amount of Pell and Direct Loans disbursed for these students totaled \$15,725, which reflects .0004% of the total Pell and Direct loan funds disbursed during the 2021-22 academic year by the college. We are currently taking corrective action on each student identified and will be returning all funds disbursed in error to the U.S. Dept. of Education. In addition, we are currently reassessing all Fiscal Year 2023 student records to identify and correct any student accounts not recognized in our reporting.

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

Brian Keister, Collegewide Director of Financial Aid
Brandi Niezgoda, Applications Manager – IT Applications and Web Services
Michael Rasberry, Senior Applications Development Specialist – IT Applications and Web Services

Planned completion date for corrective action plan:

April 2023



Reference Number: 2022-033
Prior Year Finding: 2021-008
Federal Agency: U.S. Department of Education
State Department Name: Delaware Technical Community College
Federal Program: COVID-19 – HEERF Student Aid Portion, COVID-19 – HEERF Institutional Portion
Assistance Listing Number: 84.425E, F
Award Number and Year: P425E204740 (5/24/2020 – 6/30/2023)
P425F204690 (8/18/2020 – 6/30/2023)
Compliance Requirement: Reporting – Special Reporting
Type of Finding: Material Weakness in Internal Control Over Compliance, Material Noncompliance

Recommendation:

The College should review and enhance internal controls and procedures to ensure that it maintains documentation supporting the Annual Report and the quarterly student aid portion reports and that this documentation is available for audit.

Explanation of disagreement with audit finding:

There is no disagreement with the audit finding.

Action taken in response to finding:

The College's 2021 Year 2 Annual HEERF-Student Aid report table (Page 3 Table 8a Row 2) was corrected March 24, 2023 and in agreement with Delaware Tech's student ledger detail (Banner student accounting system extract) when the federal reporting system was open for limited system data entry time. The Year 2 report was corrected and resubmitted as 2022 Year 3 Annual HEERF report filed. Filing is saved for audit review per federal system acceptance communicated.

Additional Fiscal Accounting staff have trained to assist the Financial Aid Office with Quarterly HEERF Student Aid Reporting, report posting within 10 days post quarter end, and grant records management for immediate availability. The college continues to review and enhance our HEERF reporting internal controls with reports compiled and confirmed by a team ensuring multiple layers of reconciliation and final system report filing confirmation. Improved data summaries from system extracts with use of website tracking and snapshots at a single point-in-time are in place to support timely reporting and audit verification with the College's quarterly and cumulative student award disbursement ledger detail. All website update requests will occur via use of the College's Web Request ticketing system ending with a copy of the site update each quarter.

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:

March 2023

OFFICE OF THE PRESIDENT

P.O. Box 897, Dover, DE 19903 | 302.857.1600 | www.dtcc.edu

An Equal Opportunity/Affirmative Action Institution

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

OFFICE OF THE
DIRECTOR



P.O. BOX 9950
WILMINGTON, DELAWARE 19809

Reference Number: 2021-003
Prior Year Finding: No
Federal Agency: U.S. Department of Labor
State Department Name: Department of Labor
Federal Program: 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

Condition:

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

Current Year Status:

Not Corrected. [Refer to current year finding 2022-006.]

Reason for finding's reoccurrence: There is no disagreement with the audit finding.

Action taken in response to finding: The Fiscal department has added to our Policy and Procedures the terms of the reporting period being 30 days after then end of the quarter. It was also posted on a group calendar to begin work on the reports at 20 days after quarter end.

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

Planned completion date for corrective action plan: 01/03/2023



Reference Number: 2021-004
Prior Year Finding: No
Federal Agency: U.S. Department of Labor
State Department Name: Department of Labor
Federal Program: 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

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%.

Current Year Status:

ECO management team and SMEs met with ETA officials to receive the proper guidance around the completion of the ETA 191 report. Staff Updated processes to ensure ETA 191 is correct/timely going forward.



Reference Number: 2021-005
Prior Year Finding: No
Federal Agency: U.S. Department of Labor
State Department Name: Department of Labor
Federal Program: 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

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.

Current Year Status:

Not Corrected. [Refer to current year finding 2022-005.]

Reason for finding's reoccurrence:

MERIT rating was completed on a Emergency Rule due to COVID 19 pandemic. Mainframe system required manual intervention to complete this special law. DOL does not consider the rate the employer places on the UC8 tax form only the rate assessed. The accounts that were incorrect were a result of the special rule and needed constant manual intervention. Should an overpayment occur DOL notifies employer of credit and allows them to utilize that on future quarterly payments. If the credit cannot be used we issue a check for the refund. DOL Staff created Emergency Rule 21 changing the tax table to correct the mainframe issue.

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

Laura Henderson

Planned completion date for corrective action plan:

Resolved

OFFICE OF THE
DIRECTOR



P.O. BOX 9950
WILMINGTON, DELAWARE 19809

Reference Number:	2021-006
Prior Year Finding:	2020-015
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:

Corrected

Reason for finding's reoccurrence:

Previous Response:

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.

03/27/2023 Response:

Refresher training has been given to all existing staff. All SOP's have been updated and saved on a shared drive. The shared drive is available to all BPC staff. DOL UI Training department has developed a training manual for all staff. The training manual has been made available to all staff. One on one training, monthly department meetings and position specific meetings are conducted to ensure all have received updates on policies and procedures.

All case decisions written by contractual staff are reviewed by a merit employee to ensure accuracy.

All staff has completed NASWA training.

All case files are being stored electronically and access to shared drive used by other departments have been added for easy accessibility to supporting documentation.

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



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

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).

Current Year Status:

Corrective action was taken, and program compliance has been met.



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

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.

Current Year Status:

Corrective action was taken.



***Delaware Health
And Social Services***

Office of the Secretary

1901 N. DUPONT HIGHWAY, NEW CASTLE, DE 19720 * TELEPHONE 302-255-9040 FAX 302-255-4429

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

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.

Current Year Status:

Corrective action has been implemented.



**Delaware Health
And Social Services**

Office of the Secretary

1901 N. DUPONT HIGHWAY, NEW CASTLE, DE 19720 * TELEPHONE 302-255-9040 FAX 302-255-4429

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 (DPH)
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

Condition:

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

Current Year Status:

Not Corrected. [Refer to current year finding 2022-012.]

Reason for finding's reoccurrence:

The Division of Public Health Laboratory (DPHL) has been working to implement corrective action. The implementation timeline overlapped into the current audit period.

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:

June 30, 2023



**Delaware Health
And Social Services**

Office of the Secretary

1901 N. DUPONT HIGHWAY, NEW CASTLE, DE 19720 * TELEPHONE 302-255-9040 FAX 302-255-4429

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

Condition:

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

Current Year Status:

Not Corrected. [Refer to current year finding 2022-013.]

Reason for finding's reoccurrence:

The Division of Public Health (DPH) filed its quarterly Progress Monitoring reports timely but failed to maintain supporting documentation. DPH is saving all reports as PDF documents as they are submitted to the Federal Program via REDCap to timestamp the submission dates. The Federal Program announced that they were switching from the REDCap system to the CAMP system for compliance reporting. We verified that the CAMP system will not have the function to pull timestamped records, therefore we will continue the process of saving PDF documents from the new system, to show timely submission. DPH will continue evaluate the current process for submission of the compliance reporting to check for gaps in the process.

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:

June 30, 2023



***Delaware Health
And Social Services***

Office of the Secretary

1901 N. DUPONT HIGHWAY, NEW CASTLE, DE 19720 * TELEPHONE 302-255-9040 FAX 302-255-4429

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

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.

Current Year Status:

Corrective action has been implemented. .



**Delaware Health
And Social Services**

Office of the Secretary

1901 N. DUPONT HIGHWAY, NEW CASTLE, DE 19720 * TELEPHONE 302-255-9040 FAX 302-255-4429

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

Condition:

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

Current Year Status:

Not Corrected. [Refer to current year finding 2022-017.]

Reason for finding's reoccurrence:

The Division has developed internal controls and procedures to ensure that FFATA reporting requirements are met and subawards are reported accurately and timely to FSRS. Specifically, the Division and Fiscal staff will work together to collect required information from the contractors and enter the FFATA information into FSRS portal. All contracts will have additional pages (through appendices) to collect information for FFATA reporting.

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

Christopher Antonio
Haly Laasme-McQuilkin

Planned completion date for corrective action plan:

June 30, 2023



**Delaware Health
And Social Services**

Office of the Secretary

1901 N. DUPONT HIGHWAY, NEW CASTLE, DE 19720 * TELEPHONE 302-255-9040 FAX 302-255-4429

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

Condition:

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

Current Year Status:

Not Corrected. [Refer to current year finding 2022-018.]

Reason for finding's reoccurrence:

Federal requirement is that CHIP draws, expenditures and reporting are done on a cost basis. DMMA reports based on the date of the draw, not the date of the invoice. The Division is exploring ways to meet all grant compliance requirements.

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

Unkyong Goldie

Planned completion date for corrective action plan:

September 30, 2023



**Delaware Health
And Social Services**

Office of the Secretary

1901 N. DUPONT HIGHWAY, NEW CASTLE, DE 19720 * TELEPHONE 302-255-9040 FAX 302-255-4429

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, and Children's Health Insurance Program
Assistance Listing Number: 93.775, 93.777, 93.778 and 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

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 2022-021.]

Reason for finding's reoccurrence:

The Division of Medicaid and Medical Assistance (DDMMA) has been working to implement corrective action. The implementation timeline overlapped into the current audit period.

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

Kathleen Dougherty

Planned completion date for corrective action plan:

September 30, 2023



**Delaware Health
And Social Services**

Office of the Secretary

1901 N. DUPONT HIGHWAY, NEW CASTLE, DE 19720 * TELEPHONE 302-255-9040 FAX 302-255-4429

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

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.

Current Year Status:

Not Corrected. [Refer to current year finding 2022-020.]

Reason for finding's reoccurrence:

The Division of Medicaid and Medical Assistance (DDMMA) has been working to implement corrective action. The implementation timeline overlapped into the current audit period.

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

Kathleen Dougherty
Michele Stant

Planned completion date for corrective action plan:

June 30, 2023



***Delaware Health
And Social Services***

Office of the Secretary

1901 N. DUPONT HIGHWAY, NEW CASTLE, DE 19720 * TELEPHONE 302-255-9040 FAX 302-255-4429

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

Condition:

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

Current Year Status:

Corrective action has been implemented.



**Delaware Health
And Social Services**

Office of the Secretary

1901 N. DUPONT HIGHWAY, NEW CASTLE, DE 19720 * TELEPHONE 302-255-9040 FAX 302-255-4429

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

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).

Current Year Status:

Not Corrected. [Refer to current year finding 2022-023.]

Reason for finding's reoccurrence:

The Division of Substance Abuse and Mental Health (DSAMH) has been working to implement corrective action. The implementation timeline overlapped into the current audit period.

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:

October 31, 2023



**Delaware Health
And Social Services**

Office of the Secretary

1901 N. DUPONT HIGHWAY, NEW CASTLE, DE 19720 * TELEPHONE 302-255-9040 FAX 302-255-4429

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

Condition:

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

Current Year Status:

Corrective action has been implemented..



**Delaware Health
And Social Services**

Office of the Secretary

1901 N. DUPONT HIGHWAY, NEW CASTLE, DE 19720 * TELEPHONE 302-255-9040 FAX 302-255-4429

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

Condition:

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

Current Year Status:

Not Corrected. [Refer to current year finding 2022-022.]

Reason for finding's reoccurrence:

The Division will reevaluate its current process, implement proper controls for FFATA reporting standards, and ensure subawards are reviewed timely. In addition, staff will be assigned to verify information prior to being keyed into 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:

October 31, 2023



***Delaware Health
And Social Services***

Office of the Secretary

1901 N. DUPONT HIGHWAY, NEW CASTLE, DE 19720 * TELEPHONE 302-255-9040 FAX 302-255-4429

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

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.

Current Year Status:

Corrective action has been implemented..



**Delaware Health
And Social Services**

Office of the Secretary

1901 N. DUPONT HIGHWAY, NEW CASTLE, DE 19720 * TELEPHONE 302-255-9040 FAX 302-255-4429

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

Condition:

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

Current Year Status:

Corrective action has been implemented.



***Delaware Health
And Social Services***

Office of the Secretary

1901 N. DUPONT HIGHWAY, NEW CASTLE, DE 19720 * TELEPHONE 302-255-9040 FAX 302-255-4429

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

Condition:

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

Current Year Status:

Corrective action has been implemented.



**Delaware Health
And Social Services**

Office of the Secretary

1901 N. DUPONT HIGHWAY, NEW CASTLE, DE 19720 * TELEPHONE 302-255-9040 FAX 302-255-4429

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

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).

Current Year Status:

Not Corrected. [Refer to current year finding 2022-024.]

Reason for finding's reoccurrence:

The Division has been working to implement corrective action. The implementation timeline overlapped into the current audit period.

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:

October 31, 2023



**Delaware Health
And Social Services**

Office of the Secretary

1901 N. DUPONT HIGHWAY, NEW CASTLE, DE 19720 * TELEPHONE 302-255-9040 FAX 302-255-4429

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

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.

Current Year Status:

Not Corrected. [Refer to current year finding 2022-027.]

Reason for finding's reoccurrence:

The Division of Substance Abuse and Mental Health (DSAMH) has been working to implement corrective action. The implementation timeline overlapped into the current audit period.

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:

October 31, 2023



**Delaware Health
And Social Services**

Office of the Secretary

1901 N. DUPONT HIGHWAY, NEW CASTLE, DE 19720 * TELEPHONE 302-255-9040 FAX 302-255-4429

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

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.

Current Year Status:

Corrective action has been implemented.



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: 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

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).

Current Year Status:

Not Corrected. [Refer to current year finding 2022-029.]

Reason for finding's reoccurrence:

Plan of action initiated in the State FY23 after deficiency identified and a contractor hired to review internal controls under the Public Assistance program. Contractor has initiated the monitoring of subrecipients and a review of independent audits as required by 2 CFR Part 200 Subpart F – Audit Requirements.

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

Tramaine Childs

Disaster Recovery Specialist

Innovative Emergency Management Inc.

318.278.2813 (Mobile)

Tramaine.Childs@iem.com

Planned completion date for corrective action plan:

September 26, 2022



Reference Number: 2021-028
Prior Year Finding: No
Federal Agency: U.S. Department 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

Condition:

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

Current Year Status: *[Select one]*

Corrective action was taken.

OR

Not Corrected. [Refer to current year finding 2022-XXX.]

The following are required if the finding was not corrected:

Reason for finding's reoccurrence:

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

Darryl Scott, Director

Planned completion date for corrective action plan: **Completed**



Reference Number: 2021-029
Prior Year Finding: No
Federal Agency: U.S. Department 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

Condition:

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

Current Year Status: *[Select one]*

Corrective action was taken.

OR

Not Corrected. [Refer to current year finding 2022-XXX.]

The following are required if the finding was not corrected:

Reason for finding's reoccurrence:

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

Darryl Scott, Director

Planned completion date for corrective action plan: **Completed**