State of Idaho
Single Audit Report

Fiscal Year 2023

March 29, 2024

Honorable Brad Little, Governor
Honorable Representative Wendy Horman, JFAC Co-Chair
Honorable Senator Scott Grow, JFAC Co-Chair
Honorable Brandon D Woolf, State Controller

We are pleased to submit the statewide *Single Audit Report* of the State of Idaho covering the fiscal year ended June 30, 2023. This report complies with the audit requirements placed on the State of Idaho as a condition for receiving and expending $5,646,503,591 in federal assistance (colleges and universities and Idaho Housing and Finance Association are reported separately).

Idaho is tasked with administering its federal funds in compliance with applicable laws and regulations. We identified $6,804 of known questioned costs resulting in $924,625 of projected questioned costs for fiscal year 2023.

The federal audit requirements are contained in Title 31, Chapter 75, United States Code, as amended by the Single Audit Act Amendments of 1996. The objectives of the Single Audit Act are:

- To improve the financial management of state and local governments with respect to federal financial assistance programs through improved auditing.

- To establish uniform requirements for audits of federal financial assistance provided to state and local governments.

- To promote the efficient and effective use of audit resources.

- To ensure that federal departments and agencies, to the maximum extent practicable, rely on and use audit work performed pursuant to the requirements of the Single Audit Act.

Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* was issued to facilitate the implementation of the Single Audit Act as amended in 1996. *Uniform Guidance* places the responsibility for identifying major programs to audit on the auditor. A risk-based approach, which considers current and prior audit experience, federal oversight, and inherent risk, is used to identify major programs. All audit issues are in the section entitled "Auditor's Results." Internal control weaknesses and compliance issues related to federal awards are included in the subsection entitled "Federal Findings and Questioned Costs." Internal control weaknesses and compliance issues related to the basic financial statements are included in the subsection entitled "Basic Financial Statements Findings."

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This document contains the following reports and schedules:

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

- Independent Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by *Uniform Guidance*

- Schedule of Expenditures of Federal Awards

- Auditor's Results

- Management's Basic Financial Statements Findings Corrective Action Plan

- Management's Federal Findings Corrective Action Plan

- Management's Follow-up for Prior Findings (basic financial statements and federal findings)

The complete *Annual Comprehensive Financial Report* (ACFR), which includes the State's basic financial statements, can be obtained from the Idaho Office of the State Controller (208-334-3100) or accessed on its website at www.sco.idaho.gov. Additionally, the Schedule of Expenditures of Federal Awards by State Agency will be available as a special report accessed on our website at https://legislature.idaho.gov/lso.

Sincerely,

April Renfro

April Renfro, CPA, Manager
Legislative Audits Division

STATE OF IDAHO
SINGLE AUDIT REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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Legislative Services Office
Idaho State Legislature

Terri Kondeff
Director

Serving Idaho's Citizen Legislature

INDEPENDENT AUDITOR'S 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*

December 20, 2023

Honorable Brad Little, Governor
Honorable Representative Wendy Horman, JFAC Co-Chair
Honorable Senator Scott Grow, JFAC Co-Chair
Honorable Brandon D Woolf, State Controller

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of Idaho as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise State of Idaho's basic financial statements, and have issued our report thereon dated December 20, 2023. Our report includes a reference to other auditors who audited the financial statements of Boise State University, Idaho State University, Lewis-Clark State College, University of Idaho, and their respective component units, Idaho Fish and Wildlife Foundation, Idaho Potato Commission, Idaho Dairy Products Commission, Idaho State Bar, Idaho Wheat Commission, Idaho Endowment Fund Investment Board, Idaho Lottery, Public Employee Retirement System of Idaho, Idaho Individual High Risk Reinsurance Pool, Idaho Small Employer Health Reinsurance Program, Idaho Health Insurance Exchange, Idaho State Treasurer – Assets Under Management, Idaho State Building Authority, Idaho Bond Bank Authority, and the Idaho Housing and Finance Association (including The Housing Company, a discretely presented component unit of the Idaho Housing and Finance Association) as described in our report on the State of Idaho's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of Boise State University Foundation and Idaho State University Foundation were not audited in accordance with *Government Auditing Standards*.

Internal Control over Financial Reporting

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

Paul Headlee, Deputy Director
Legislative Services Office

Matt Drake, Manager
Research & Legislation

Keith Bybee, Manager
Budget & Policy Analysis

April Renfro, Manager
Legislative Audits

Norma Clark, Manager
Information Technology

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Our consideration of internal control over financial reporting 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 have not been identified. However, as described in the accompanying Basic Financial Statement Findings, 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 following deficiencies described in the accompanying Basic Financial Statement Findings to be material weaknesses: 2023-101, 2023-102, 2023-106, and 2023-107.

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 following deficiencies described in the accompanying Basic Financial Statement Findings to be significant deficiencies: 2023-103, 2023-104, 2023-105, 2023-108, and 2023-109.

Compliance and Other Matters

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

State of Idaho's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the State of Idaho's response to the findings identified in our engagement and described in the accompanying Basic Financial Statement Findings. The State of Idaho'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.

Purpose of this Report

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

Sincerely,

April Renfro

April Renfro, CPA, Manager
Legislative Audits Division

Legislative Services Office
Idaho State Legislature

Terri Kondeff
Director

Serving Idaho's Citizen Legislature

March 29, 2024

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY *UNIFORM GUIDANCE*

Independent Auditor's Report

Honorable Brad Little, Governor
Honorable Representative Wendy Horman, JFAC Co-Chair
Honorable Scott Grow, JFAC Co-Chair
Honorable Brandon D Woolf, State Controller

Report on Compliance for Each Major Federal Program

Qualified and Unmodified Opinions
We have audited the State of Idaho's compliance with the types of compliance requirements identified as subject to audit in the U.S. *Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of the State of Idaho's major federal programs for the year ended June 30, 2023. The State of Idaho's major federal programs are identified in the Summary of Auditor's Results section of the accompanying schedule of findings and questioned costs.

The State of Idaho's basic financial statements include the operations of the Idaho Housing and Finance Association, Boise State University, Idaho State University, Lewis-Clark State College, and the University of Idaho, which received $3,630,877,843 in federal awards, which are not included in the Schedule of Expenditures of Federal Awards for the year ended June 30, 2023. Our audit, described below, did not include the operations of Boise State University, Idaho State University, Lewis-Clark State College, University of Idaho, and Idaho Housing and Finance Association because these entities engaged other auditors to perform an audit in accordance with Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*.

Qualified Opinion on the Temporary Assistance for Needy Families
In our opinion, except for the noncompliance described in the Basis for Qualified and Unmodified Opinions section of our report, the State of Idaho complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the Temporary Assistance for Needy Families (TANF) funding for the year ended June 30, 2023.

Qualified Opinion on the Child Care and Development Fund
In our opinion, except for the noncompliance described in the Basis for Qualified and Unmodified Opinions section of our report, the State of Idaho complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on Child Care and Development Fund (CCDF) for the year ended June 30, 2023.

Qualified Opinion on the Adoption Assistance

In our opinion, except for the noncompliance described in the Basis for Qualified and Unmodified Opinions section of our report, the State of Idaho complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the Adoption Assistance funding for the year ended June 30, 2023.

Qualified Opinion on the Medicaid Cluster
In our opinion, except for the noncompliance described in the Basis for Qualified and Unmodified Opinions section of our report, the State of Idaho complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the Medicaid Cluster for the year ended June 30, 2023.

Qualified Opinion on the Highway Planning & Construction
In our opinion, except for the noncompliance described in the Basis for Qualified and Unmodified Opinions section of our report, the State of Idaho complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the Highway Planning & Construction grant for the year ended June 30, 2023.

Unmodified Opinion on Each of the Other Major Federal Programs
In our opinion, the State of Idaho 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 auditor's results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2023.

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 (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Our responsibilities under those standards and the *Uniform Guidance* are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the State of Idaho 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 of Idaho's compliance with the compliance requirements referred to above.

Matter Giving Rise to Qualified Opinion on the Temporary Assistance for Needy Families.

As described in the accompanying schedule of findings and questioned costs, the State of Idaho did not comply with requirements regarding Assistance Listing 93.558, Temporary Assistance for Needy Families as described in finding number 2023-213 for Subrecipient Monitoring.

Matter Giving Rise to Qualified Opinion on the Child Care Development Fund

As described in the accompanying schedule of findings and questioned costs, the State of Idaho did not comply with requirements regarding Assistance Listing 93.575, Child Care Development Fund as described in finding number 2023-215 for Special Tests and Provisions.

Matter Giving Rise to Qualified Opinion on the Adoption Assistance

As described in the accompanying schedule of findings and questioned costs, the State of Idaho did not comply with requirements regarding Assistance Listing 93.659, Adoption Assistance as described in finding number 2023-220 for Eligibility.

Matter Giving Rise to Qualified Opinion on the Medicaid Cluster

As described in the accompanying schedule of findings and questioned costs, the State of Idaho did not comply with requirements regarding Assistance Listing 93.775, 93.777, and 93.778, Medicaid Cluster as described in finding number 2023-224 for Special Tests and Provisions.

Matter Giving Rise to Qualified Opinion on Highway Planning and Construction

As described in the accompanying schedule of findings and questioned costs, the State of Idaho did not comply with requirements regarding Assistance Listings 20.205, Highway Planning and Construction in finding number 2023-226 for Special Tests and Provisions.

Compliance with such requirements is necessary, in our opinion, for the State of Idaho 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 of Idaho's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above have occurred, whether due to fraud or error, and express an opinion on the State of Idaho'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 of Idaho'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 of Idaho'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 of Idaho'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 of Idaho'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 that are required to be reported in accordance with the *Uniform Guidance* and which are described in the accompanying Schedule of Federal Findings and

Questioned Costs as items 2023-206, 2023-210, 2023-216, 2023-218, 2023-219, 2023-221, 2023-222, and 2023-223. 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 of Idaho's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The State of Idaho'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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance 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 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 Federal Findings and Questioned Costs as items 2023-210, 2023-212, 2023-213, 2023-214, 2023-215, 2023-216, 2023-217, 2023-224, and 2023-226 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 Federal Findings and Questioned Costs as items 2023-201, 2023-202, 2023-203, 2023-204, 2023-205, 2023-206, 2023-207, 2023-208, 2023-209, 2023-211, 2023-219, 2023-221, 2023-222, 2023-223, and 2023-225 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 of Idaho's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The State of Idaho'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, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of Idaho as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the State of Idaho's basic financial statements. We issued our report thereon dated December 20, 2023, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the *Uniform Guidance* and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Sincerely,

April Renfro

April Renfro, CPA, Manager
Legislative Audits Division

STATE OF IDAHO
SINGLE AUDIT REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

SCHEDULES OF EXPENDITURES
OF FEDERAL AWARDS

SCHEDULE
OF
EXPENDITURES OF FEDERAL AWARDS
BY FEDERAL AGENCY

AL	FEDERAL AGENCY FEDERAL PROGRAM TITLE	STATE AGENCY	DIRECT AWARD EXPENDITURES	TYPE*	AMOUNT PROVIDED TO SUBRECIPIENTS	TYPE*
	DEPARTMENT OF AGRICULTURE					
	SNAP CLUSTER					
10.551	Supplemental Nutrition Assistance Program (SNAP)	Health and Welfare, Department of	$240,806,459	NC		
10.551	Supplemental Nutrition Assistance Program (SNAP)	Health and Welfare, Department of	14,984,084	NC, COVID-19		
	Total 10.551		$255,790,543			
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	Health and Welfare, Department of	$11,226,511		$987,566	
	TOTAL SNAP CLUSTER		$267,017,054		$987,566	
	CHILD NUTRITION CLUSTER					
10.553	School Breakfast Program (SBP)	State Department of Education	$15,917,728		$15,790,738	
10.555	National School Lunch Program (NSLP)	State Department of Education	11,179,626	NC	10,365,310	NC
10.555	National School Lunch Program (NSLP)	State Department of Education	69,383,012		69,134,183	
	Total 10.555		$80,562,638		$79,499,493	
10.556	Special Milk Program for Children (SMP)	State Department of Education	$25,614		$25,614	
10.559	Summer Food Service Program for Children (SFSPC)	State Department of Education	3,875,284		3,460,705	
10.582	Fresh Fruit and Vegetable Program	State Department of Education	2,389,453		2,341,368	
	TOTAL CHILD NUTRITION CLUSTER		$102,770,717		$101,117,918	
	FOOD DISTRIBUTION CLUSTER					
10.565	Commodity Supplemental Food Program	Aging, Commission on	$209,408		$190,434	
10.568	Emergency Food Assistance Program (Administrative Costs)	Health and Welfare, Department of	766,102		747,721	
10.568	Emergency Food Assistance Program (Administrative Costs)	Health and Welfare, Department of	187,157	COVID-19	185,147	COVID-19
	Total 10.568		$953,259		$932,868	
10.569	Emergency Food Assistance Program (Food Commodities)	Health and Welfare, Department of	$5,907,160	NC		
	TOTAL FOOD DISTRIBUTION CLUSTER		$7,069,827		$1,123,302	
	NON-CLUSTERED PROGRAMS					
10.025	Plant and Animal Disease, Pest Control, and Animal Care	Agriculture, Department of	$560,794		$68,100	
10.028	Wildlife Services	Fish and Game, Department of	15,039			
10.069	Conservation Reserve Program	Fish and Game, Department of	45,030			
10.093	Voluntary Public Access & Habitat Incentive Program	Fish and Game, Department of	303,490			
10.162	Inspection Grading and Standardization	Agriculture, Department of	71,968			
10.163	Market Protection and Promotion	Agriculture, Department of	10,200			
10.170	Specialty Crop Block Grant Program - Farm Bill	Agriculture, Department of	904,915		293,125	
10.170	Specialty Crop Block Grant Program - Farm Bill	Agriculture, Department of	394,263	COVID-19	330,137	COVID-19
	Total 10.170		$1,299,178		$623,262	
10.182	Local Food Purchase Assistance	Health and Welfare, Department of	$2,792			
10.187	The Emergency Food Assistance Program (TEFAP) Commodity Credit Corporation Eligible Recipient Funds	Health and Welfare, Department of	2,917		$2,917	
10.525	Farm and Ranch Stress Assistance Network Competitive Grants Program	Agriculture, Department of	342,505	COVID-19		
10.541	Child Nutrition Technology Innovation Grant	State Department of Education	377,631		249,838	
10.557	WIC Special Supplemental Nutrition Program for Women, Infants, and Children	Health and Welfare, Department of	27,508,238		7,753,618	
10.558	Child and Adult Care Food Program (CACFP)	State Department of Education	7,857,083		7,744,162	
10.560	State Administrative Expenses for Child Nutrition	State Department of Education	1,311,177			
10.579	Child Nutrition Discretionary Grants Limited Availability	State Department of Education	344,607		169,809	
10.589	Child Nutrition Direct Certification Performance Awards	State Department of Education	5			
10.645	Farm to School Grants (ARPA)	State Department of Education	58,876	COVID-19		
10.649	Pandemic EBT Administrative Costs	Health and Welfare, Department of	367,815	COVID-19		
10.664	Cooperative Forestry Assistance	Historical Society, Idaho State	(5,364)			
10.664	Cooperative Forestry Assistance	Lands, Department of	3,722,367		1,639,211	
	Total 10.664		$3,717,003		$1,639,211	
10.676	Forest Legacy Program	Lands, Department of	$189,028			
10.678	Forest Stewardship Program	Lands, Department of	1,801			
10.680	Forest Health Protection	Agriculture, Department of	82,917		$77,257	
10.697	State and Private Forestry Hazardous Fuel Reduction Program	Lands, Department of	660,301		603,933	
10.698	State and Private Forestry Cooperative Fire Assistance	Lands, Department of	189,400		117,039	
10.720	Infrastructure Investment and Jobs Act Community Wildfire Defense Grants	Lands, Department of	4,272			
10.724	Wildfire Crisis Strategy Landscapes	Fish and Game, Department of	60,060			
10.724	Wildfire Crisis Strategy Landscapes	Lands, Department of	18,526			
	Total 10.724		$78,586			
10.902	Soil and Water Conservation	Agriculture, Department of	$49,418			
10.902	Soil and Water Conservation	Lands, Department of	75,376			
	Total 10.902		$124,794			
10.912	Environmental Quality Incentives Program	Lands, Department of	$12,806			
10.931	Agricultural Conservation Easement Program	Fish and Game, Department of	253,613			
10.U04	Miscellaneous Forest Service Grants	Fish and Game, Department of	199,645			
10.U28	Federal-State Inspection of Fresh Fruits, Veg, and other products	Agriculture, Department of	9,459			
10.U32	USDA Veterinary Services Agreement for Brucellosis Testing	Agriculture, Department of	46,996			
10.U33	Forest Service Aquatic Invasive Species Prevention	Agriculture, Department of	11,892			
	TOTAL NON-CLUSTERED PROGRAMS		$46,061,858		$19,049,146	
	TOTAL DEPARTMENT OF AGRICULTURE		$422,919,456		$122,277,932	
	DEPARTMENT OF COMMERCE					
	ECONOMIC DEVELOPMENT CLUSTER					
11.307	EDA Grant - Economic Adjustment Assistance	Commerce, Department of	$63,032	COVID-19	$63,032	COVID-19
	TOTAL ECONOMIC DEVELOPMENT CLUSTER		$63,032		$63,032	

*Type of assistance other than direct cash. NC = non-cash; PT = pass-through; R&D = Research and Development; COVID-19 = COVID-19 related expenditures (CARES Act, ARPA, etc.)

The accompanying notes are an integral part of this schedule.

STATE OF IDAHO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
BY FEDERAL AGENCY
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

AL	FEDERAL AGENCY FEDERAL PROGRAM TITLE	STATE AGENCY	DIRECT AWARD EXPENDITURES	TYPE*	AMOUNT PROVIDED TO SUBRECIPIENTS	TYPE*
	NON-CLUSTERED PROGRAMS					
11.032	State Digital Equity Planning Grant	Libraries, Idaho Commission for	$254,792			
11.035	Broadband Equity, Access, and Deployment Program	Commerce, Department of	438,490			
11.436	Columbia River Fisheries Development Program	Fish and Game, Department of	1,293,284			
11.438	Pacific Coast Salmon Recovery - Pacific Salmon Treaty Program	Fish and Game, Department of	292,543			
11.438	Pacific Coast Salmon Recovery - Pacific Salmon Treaty Program	Species Conservation, Office of	3,707,120		$1,525,472	
	Total 11.438		$3,999,663		$1,525,472	
11.463	Infrastructure Investment Jobs Act	Species Conservation, Office of	$394			
	TOTAL NON-CLUSTERED PROGRAMS		$5,986,623		$1,525,472	
	TOTAL DEPARTMENT OF COMMERCE		$6,049,655		$1,588,504	
	DEPARTMENT OF DEFENSE					
12.113	State Memorandum of Agreement Program for the Reimbursement of Technical Services	Environmental Quality, Department of	$178,601			
12.400	Military Construction, National Guard	Military, Division of	3,148,105			
12.401	National Guard Military Operations and Maintenance Projects	Military, Division of	43,961,212			
12.404	National Guard ChalleNGe Program	Military, Division of	5,229,042			
12.U33	Idaho Flowering Rush	Agriculture, Department of	43,721			
Pass-Through From Non-State Entities						
12.U29	Watercraft Inspection Station Program Pacific States Marine Fisheries Commission; PSMFC. Award #20-104P (Prime Award # W68SBV00164077)	Agriculture, Department of	879,868	PT	$177,484	PT
12.U31	Aquatic Invasive Species Monitoring Pacific States Marine Fisheries Commission; PSMFC Award # 20-145P (Prime Award # W68SBV00766915)	Agriculture, Department of	49,805	PT		
	TOTAL DEPARTMENT OF DEFENSE		$53,490,354		$177,484	
	HOUSING AND URBAN DEVELOPMENT					
14.171	Manufactured Home Dispute Resolution	Occupational and Professional Licenses,	$96,898			
14.228	Community Development Block Grants/State's Program	Commerce, Department of	6,242,036		$5,970,100	
14.228	Community Development Block Grants/State's Program	Commerce, Department of	997,895	COVID-19	997,895	COVID-19
	Total 14.228		$7,239,931		$6,967,995	
	TOTAL HOUSING AND URBAN DEVELOPMENT		$7,336,829		$6,967,995	
	DEPARTMENT OF THE INTERIOR					
	FISH AND WILDLIFE CLUSTER					
15.605	Sport Fish Restoration	Fish and Game, Department of	$6,835,537			
15.611	Wildlife Restoration and Basic Hunter Education	Fish and Game, Department of	14,567,798		$128,352	
15.626	Enhaced Hunter Education and Safety	Fish and Game, Department of	80,000			
	TOTAL FISH AND WILDLIFE CLUSTER		$21,483,335		$128,352	
	NON-CLUSTERED PROGRAMS					
15.130	Indian Education Assistance to Schools	State Department of Education	$69,399		$69,399	
15.224	Cultural and Paleontological Resource Management	Historical Society, Idaho State	(39,688)			
15.228	BLM Fuels Management and Community Fire Assistance Program	Transportation Department, Idaho	142,851			
15.230	Invasive and Noxious Plant Management	Fish and Game, Department of	14,082			
15.231	Fish, Wildlife and Plant Conservation Resource Management	Fish and Game, Department of	20,082			
15.231	Fish, Wildlife and Plant Conservation Resource Management	Species Conservation, Office of	75,954			
	Total 15.231		$96,036			
15.233	Forests and Woodlands Resource Management	Lands, Department of	$102,147			
15.247	Wildlife Resource Management	Fish and Game, Department of	15,695			
15.517	Fish and Wildlife Coordination Act	Fish and Game, Department of	96,144			
15.517	Fish and Wildlife Coordination Act	Species Conservation, Office of	407,444		407,444	
	Total 15.517		$503,588		$407,444	
15.524	Recreation Resources Management	Parks and Recreation, Department of	$580,712			
15.560	SECURE Water Act - Research Agreements	Fish and Game, Department of	102,851			
15.608	Fish and Wildlife Management Assistance	Agriculture, Department of	72,447			
15.608	Fish & Wildlife Management Assistance	Fish and Game, Department of	164,289			
	Total 15.608		$236,736			
15.615	Cooperative Endangered Species Conservation Fund	Fish and Game, Department of	$442,762		$45,575	
15.616	Clean Vessel Act	Parks and Recreation, Department of	12,596		12,039	
15.634	State Wildlife Grants	Fish and Game, Department of	601,667			
15.657	Endangered Species Conservation - Recovery Implementation Funds	Fish and Game, Department of	220,433			
15.660	Endangered Species - Candidate Conservation Action Fund	Species Conservation, Office of	87,208			
15.661	Lower Snake River Compensation Plan	Fish and Game, Department of	9,610,387			
15.664	Fish & Wildlife Coordination & Assistance	Fish and Game, Department of	60,000			
15.666	Endangered Species Conservation-Wolf Livestock Loss Compensation and Prevention	Species Conservation, Office of	243,673			
15.684	White Nose Syndrome National Response Implementation	Fish and Game, Department of	16,616			
15.904	Historic Preservation Fund Grants-in-Aid	Historical Society, Idaho State	1,209,746		91,583	
15.916	Outdoor Recreation Acquisition, Development, and Planning	Parks and Recreation, Department of	1,121,948		66,924	
15.944	Natural Resource Stewardship	Parks and Recreation, Department of	697,560			
Pass-Through From Non-State Entities						
15.634	State Wildlife Grants Washington Department of Fish & Wildlife Agreement number 19-12476	Fish and Game, Department of	33,089	PT		
	TOTAL NON-CLUSTERED PROGRAMS		$16,182,094		$692,964	
	TOTAL DEPARTMENT OF THE INTERIOR		$37,665,429		$821,316	

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STATE OF IDAHO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
BY FEDERAL AGENCY
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

AL	FEDERAL AGENCY FEDERAL PROGRAM TITLE	STATE AGENCY	DIRECT AWARD EXPENDITURES	TYPE*	AMOUNT PROVIDED TO SUBRECIPIENTS	TYPE*
	DEPARTMENT OF JUSTICE					
16.017	Sexual Assault Services Formula Program	Police, Idaho State	$489,704		$466,658	
16.021	Justice Systems Response to Families	Judicial Department	146,859			
16.034	Coronavirus Emergency Supplemental Funding Program	Police, Idaho State	662,979	COVID-19	328,633	COVID-19
16.540	Juvenile Justice and Delinquency Prevention	Juvenile Corrections, Department of	156,865			
16.543	Missing Children's Assistance	Attorney General, Office of the	493,211			
16.550	State Justice Statistics Program for Statistical Analysis Centers	Police, Idaho State	83,138			
16.575	Crime Victim Assistance	Health and Welfare, Department of	4,623,400		4,276,876	
16.576	Crime Victim Compensation	Industrial Commission	305,000			
16.582	Crime Victim Assistance/Discretionary Grants	Health and Welfare, Department of	1,783			
16.588	Violence Against Women Formula Grants	Police, Idaho State	1,336,379		1,048,809	
16.593	Residential Substance Abuse Treatment for State Prisoners	Police, Idaho State	246,586		234,539	
16.606	State Criminal Alien Assistance Program	Correction, Department of	137,422			
16.738	Edward Byrne Memorial Justice Assistance Grant Program	Police, Idaho State	788,020		471,125	
16.741	DNA Backlog Reduction Program	Police, Idaho State	496,070			
16.742	Paul Coverdell Forensic Sciences Improvement Grant Program	Police, Idaho State	242,605			
16.751	Edward Byrne Memorial Competitive Grant Program	Police, Idaho State	26,489			
16.812	Second Chance Act Reentry Initiative	Correction, Department of	236,439			
16.813	NICS Act Record Improvement Program	Police, Idaho State	109,327		109,327	
16.827	Justice Reinvestment Initiative	Correction, Department of	309,469		262,493	
16.833	National Sexual Assault Kit Initiative	Police, Idaho State	21,772			
16.838	Comprehensive Opioid, Stimulant, and Substance Abuse Program	Health and Welfare, Department of	503,257		442,172	
16.839	Stop School Violence: Confidential Tipline	Education, State Board of	190,745			
16.839	STOP School Violence	Health and Welfare, Department of	168,812		166,281	
	Total 16.839		$359,557		$166,281	
16.922	Equitable Sharing Program	Military, Division of	$12,303			
16.922	Equitable Sharing Program	Police, Idaho State	68,966			
	Total 16.922		$81,269			
	TOTAL DEPARTMENT OF JUSTICE		$11,857,600		$7,806,913	
	DEPARTMENT OF LABOR					
	EMPLOYMENT SERVICE CLUSTER					
17.207	Employment Service/Wagner-Peyser Funded Activities	Labor, Department of	$6,975,116			
17.801	Jobs for Veterans State Grants	Labor, Department of	937,819			
	TOTAL EMPLOYMENT SERVICE CLUSTER		$7,912,935			
	WIOA CLUSTER					
17.258	WIA Adult Program	Labor, Department of	$1,755,774		$1,240,072	
17.259	WIA Youth Activities	Labor, Department of	2,720,388		15,771	
17.278	WIA Dislocated Workers Formula Grants	Labor, Department of	1,219,957		748,696	
	TOTAL WIOA CLUSTER		$5,696,119		$2,004,539	
	NON-CLUSTER PROGRAMS					
17.225	Unemployment Insurance	Labor, Department of	$120,229,709			
17.225	Unemployment Insurance	Labor, Department of	985,091	COVID-19		
	Total 17.225		$121,214,800			
17.235	Senior Community Service Employment Program	Aging, Commission on	$381,877		$355,546	
17.245	Trade Adjustment Assistance	Labor, Department of	319,094			
17.261	WIA Pilots, Demonstrations, and research Projects	Labor, Department of	333,068			
17.268	H-1B Job Training Grants	Career-Technical Education, Division of	403,663		335,741	
17.271	Work Opportunity Tax Credit Program (WOTC)	Labor, Department of	76,903			
17.273	Temporary Labor Certification for Foreign Workers	Labor, Department of	491,897			
17.277	WIOA National Dislocated Worker Grants/WIA National Emergency Grants	Labor, Department of	(467)	COVID-19		
17.285	Apprenticeship USA Grants	Labor, Department of	882,063		458,174	
17.285	Apprenticeship USA Grants	Workforce Development Council	627,578		503,205	
	Total 17.285		$1,509,641		$961,379	
17.287	Job Corps Experimental Projects and Technical Assistance	Labor, Department of	$5,164,673		$758,075	
17.805	Homeless Veterans Reintegration Project	Labor, Department of	25,195			
	TOTAL NON-CLUSTERED PROGRAMS		$129,920,344		$2,410,741	
	TOTAL DEPARTMENT OF LABOR		$143,529,398		$4,415,280	
	DEPARTMENT OF TRANSPORTATION					
	FMCSA CLUSTER					
20.218	National Motor Carrier Safety	Police, Idaho State	$2,058,777			
	TOTAL FMCSA CLUSTER		$2,058,777			
	FEDERAL TRANSIT CLUSTER					
20.507	Federal Transit Formula Grants	Transportation Department, Idaho	$1,086,912	COVID-19	$1,086,912	COVID-19
20.526	Bus and Bus Facilities Formula, Competitive, and Low or No Emissions Programs	Transportation Department, Idaho	2,555,408		2,555,408	
	TOTAL FEDERAL TRANSIT CLUSTER		$3,642,320		$3,642,320	
	TRANSIT SERVICES PROGRAMS CLUSTER					
20.513	Enhanced Mobility of Seniors and Individuals with Disabilities	Transportation Department, Idaho	$1,384,867		$1,294,235	
	TOTAL TRANSIT SERVICES PROGRAMS CLUSTER		$1,384,867		$1,294,235	
	HIGHWAY SAFETY CLUSTER					
20.600	State and Community Highway Safety	Transportation Department, Idaho	$3,109,998		$1,553,747	
20.616	National Priority Safety Programs	Transportation Department, Idaho	2,169,269		1,338,763	
	TOTAL HIGHWAY SAFETY CLUSTER		$5,279,267		$2,892,510	

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STATE OF IDAHO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
BY FEDERAL AGENCY
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

AL	FEDERAL AGENCY FEDERAL PROGRAM TITLE	STATE AGENCY	DIRECT AWARD EXPENDITURES	TYPE*	AMOUNT PROVIDED TO SUBRECIPIENTS	TYPE*
	NON-CLUSTERED PROGRAMS					
20.106	Airport Improvement Program	Transportation Department, Idaho	$225,339			
20.205	Highway Planning and Construction	Transportation Department, Idaho	332,113,026		$3,640,686	
20.205	Highway Planning and Construction	Transportation Department, Idaho	29,736,275	COVID-19		
	Total 20.205		$361,849,301		$3,640,686	
20.219	Recreational Trails Program	Parks and Recreation, Department of	$1,145,943		$1,024,876	
20.325	Consolidated Rail Infrastructure and Safety Improvements	Transportation Department, Idaho	5,588,610			
20.509	Formula Grants for Rural Areas	Transportation Department, Idaho	7,808,986		7,154,501	
20.509	Formula Grants for Rural Areas	Transportation Department, Idaho	3,181,278	COVID-19	2,956,102	COVID-19
	Total 20.509		$10,990,264		$10,110,603	
20.614	Discretionary Safety Grants and Cooperative Agreements	Transportation Department, Idaho	$59,944			
20.700	Pipeline Safety Program	Public Utilities Commission	263,807			
20.703	Interagency Hazardous Materials Public Sector Training & Planning Grants	Military, Division of	82,537		$48,489	
20.720	State Damage Prevention Program Grants	Occupational and Professional Licenses,	81,148			
20.721	PHMSA Pipeline Safety Program One Call Grant	Public Utilities Commission	12,477			
	TOTAL NON-CLUSTERED PROGRAMS		$380,299,370		$14,824,654	
	TOTAL DEPARTMENT OF TRANSPORTATION		$392,664,601		$22,653,719	
	US TREASURY					
21.016	Equitable Share	Police, Idaho State	$51,891			
21.019	Coronavirus Relief Fund	Controller, Office of the State	317,064	COVID-19		
21.019	Coronavirus Relief Fund	Labor, Department of	679	COVID-19		
	Total 21.019		$317,743			
21.023	Emergency Rental Assistance Program	Financial Management, Division of	$69,911,567	COVID-19	$69,911,567	COVID-19
21.026	Homeowner Assistance Fund	Financial Management, Division of	20,000,000	COVID-19	20,000,000	COVID-19
21.027	Coronavirus State and Local Fiscal Recovery Funds	Administration, Department of	20,987,873	COVID-19		
21.027	Coronavirus State and Local Fiscal Recovery Funds	Commerce, Department of	1,000,000	COVID-19	1,000,000	COVID-19
21.027	Coronavirus State and Local Fiscal Recovery Funds	Controller, Office of the State	866,094	COVID-19		
21.027	Coronavirus State and Local Fiscal Recovery Funds	Correction, Department of	500,000	COVID-19		
21.027	Coronavirus State and Local Fiscal Recovery Funds	Education, State Board of	51,161,595	COVID-19	49,483,000	COVID-19
21.027	Coronavirus State and Local Fiscal Recovery Funds	Environmental Quality, Department of	20,770,564	COVID-19	18,814,670	COVID-19
21.027	Coronavirus State and Local Fiscal Recovery Funds	Financial Management, Division of	4,858,697	COVID-19	4,836,095	COVID-19
21.027	Coronavirus State and Local Fiscal Recovery Funds	Health and Welfare, Department of	21,358,086	COVID-19	18,959,072	COVID-19
21.027	Coronavirus State and Local Fiscal Recovery Funds	Historical Society, Idaho State	39,100	COVID-19		
21.027	Coronavirus State and Local Fiscal Recovery Funds	Judicial Department	1,001,734	COVID-19		
21.027	Coronavirus State and Local Fiscal Recovery Funds	Pardons and Parole, Commission of	50,000	COVID-19		
21.027	Coronavirus State and Local Fiscal Recovery Funds	Parks and Recreation, Department of	6,881,125	COVID-19		
21.027	Coronavirus State and Local Fiscal Recovery Funds	State Department of Education	36,270,513	COVID-19	36,270,513	COVID-19
21.027	Coronavirus State and Local Fiscal Recovery Funds	Tax Commission, Idaho	178,253	COVID-19		
21.027	Coronavirus State and Local Fiscal Recovery Funds	Treasurer's Office, Idaho State	50,000,000	COVID-19	50,000,000	COVID-19
21.027	Coronavirus State and Local Fiscal Recovery Funds	Water Resources, Department of	74,527,544	COVID-19		
21.027	Coronavirus State and Local Fiscal Recovery Funds	Workforce Development Council	11,967,102	COVID-19	538,943	COVID-19
	Total 21.027		$302,418,280		$179,902,293	
	TOTAL US TREASURY		$392,699,481		$269,813,860	
	GENERAL SERVICES ADMINISTRATION					
39.003	Donation of Federal Surplus Personal Property	Administration, Department of	$907,380	NC		
	TOTAL GENERAL SERVICES ADMINISTRATION		$907,380			
	NATIONAL AERONAUTICS AND SPACE ADMINISTRATION					
43.008	Office of STEM Engagement (OSTEM)	Stem Action Center	$25,000			
	University of Idaho, Grantor Number 80NSSC20M0108					
	TOTAL NATIONAL AERONAUTICS AND SPACE ADMINISTRATION		$25,000			
	NATIONAL ENDOWMENT FOR THE ARTS AND THE HUMANITIES					
45.025	Promotion of the Arts - Partnership Agreements	Arts, Commission on the	$934,079		$443,649	
45.149	Promotion of the Humanities - Division of Preservation and Access	Historical Society, Idaho State	81,061	COVID-19		
Pass-Through From Non-State Entities						
45.129	Promotion of the Humanities - Federal/State Partnership	Libraries, Idaho Commission for	24,078	PT		
	Idaho Humanities Council; Grantor Number H20001					
	TOTAL NATIONAL ENDOWMENT FOR THE ARTS AND		$1,039,218		$443,649	
	INSTITUTE OF MUSEUM AND LIBRARY SERVICES					
45.310	Grants to States	Libraries, Idaho Commission for	$1,668,542		$69,925	
45.310	LSTA CARES ACT State Grants	Libraries, Idaho Commission for	155,132	COVID-19	4,281	COVID-19
	TOTAL INSTITUTE OF MUSEUM AND LIBRARY SERVICES		$1,823,674		$74,206	
	NATIONAL SCIENCE FOUNDATION					
47.076	Education and Human Resources: NSF INCLUDES Planning Grant	Stem Action Center	$15,556			
	TOTAL NATIONAL SCIENCE FOUNDATION		$15,556			
	SMALL BUSINESS ADMINISTRATION					
59.061	State Trade and Export Promotion Pilot Grant Program	Commerce, Department of	$459,852		$261,953	
	TOTAL SMALL BUSINESS ADMINISTRATION		$459,852		$261,953	

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STATE OF IDAHO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
BY FEDERAL AGENCY
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

AL	FEDERAL AGENCY FEDERAL PROGRAM TITLE	STATE AGENCY	DIRECT AWARD EXPENDITURES	TYPE*	AMOUNT PROVIDED TO SUBRECIPIENTS	TYPE*
	DEPARTMENT OF VETERANS AFFAIRS					
64.005	Grants to States for Construction of State Home Facilities	Veterans Services, Division of	$6,683,223			
64.005	Grants to States for Construction of State Home Facilities	Veterans Services, Division of	927,371	COVID-19		
	Total 66.005		$7,610,594			
64.014	Veterans State Domiciliary Care	Veterans Services, Division of	$286,702			
64.015	Veterans State Nursing Home Care	Veterans Services, Division of	16,397,100			
64.101	Burial Expense Allowances for Veterans	Veterans Services, Division of	510,959			
64.203	State Veterans Cemetery Construction	Veterans Services, Division of	2,069,549			
	TOTAL DEPARTMENT OF VETERANS AFFAIRS		$26,874,904			
	ENVIRONMENTAL PROTECTION AGENCY					
	CLEAN WATER STATE REVOLVING FUND CLUSTER					
66.458	Capitalization Grants for Clean Water State Revolving Funds	Environmental Quality, Department of	$12,808,817		$12,009,240	
	TOTAL CLEAN WATER STATE REVOLVING FUND CLUSTER		$12,808,817		$12,009,240	
	DRINKING WATER STATE REVOLVING FUND CLUSTER					
66.468	Capitalization Grants for Drinking Water State Revolving Funds	Environmental Quality, Department of	$11,890,625		$9,474,893	
	TOTAL DRINKING WATER STATE REVOLVING FUND CLUSTER		$11,890,625		$9,474,893	
	NON-CLUSTERED PROGRAMS					
66.032	State Indoor Radon Grants	Health and Welfare, Department of	$65,605			
66.034	Surveys, Studies, Research, Investigations, Demonstrations & Special Purpose Activities Relating to the Clean Air Act	Environmental Quality, Department of	535,562			
66.040	State Clean Diesel Grant Program	Environmental Quality, Department of	450,304		$450,304	
66.202	Congressionally Mandated Projects	Environmental Quality, Department of	459,312		300,633	
66.204	Multipurpose Grants to States and Tribes	Agriculture, Department of	73,185			
66.204	Multipurpose Grants to States and Tribes	Environmental Quality, Department of	38,374			
66.204	Multipurpose Grants to States and Tribes	Health and Welfare, Department of	23,649			
66.204	Multipurpose Grants to States and Tribes	Water Resources, Department of	25,578			
	Total 66.204		$160,786			
66.419	Water Pollution Control State, Interstate, and Tribal Program Support	Environmental Quality, Department of	$2,680,782			
66.432	State Public Water System Supervision	Environmental Quality, Department of	1,598,548			
66.433	State Underground Water Source Protection	Water Resources, Department of	108,646			
66.444	Lead Testing in School and Child Care Program Drinking Water Grant Program	Environmental Quality, Department of	1,470			
66.454	Water Quality Management Planning	Environmental Quality, Department of	123,563			
66.460	Nonpoint Source Implementation Grants	Environmental Quality, Department of	1,814,236		1,502,242	
66.605	Performance Partnership Grants	Environmental Quality, Department of	1,452,644			
66.608	Environmental Info. Exchange Network Grant Prog. and Related Assist.	Environmental Quality, Department of	51,488			
66.700	Consolidated Pesticide Enforcement Cooperative Agreements	Agriculture, Department of	482,411			
66.708	Pollution Prevention Grants Program	Environmental Quality, Department of	159,752		62,866	
66.801	Hazardous Waste Management State Program Support	Environmental Quality, Department of	675,629		23,776	
66.802	Superfund State, Political Subdivisio, and Indian Tribe Site-Specific Coop Agmts.	Environmental Quality, Department of	2,199,033		320,429	
66.804	Underground Storage Tank Prevention, Detection and Compliance Program	Environmental Quality, Department of	361,406			
66.805	Leaking Underground Storage Tank Trust Fund Corrective Action Program	Environmental Quality, Department of	538,945			
66.809	Superfund State and Indian Tribe Core Program Cooperative Agreements	Environmental Quality, Department of	235,708			
66.817	State and Tribal Response Program Grants	Environmental Quality, Department of	1,168,362			
	TOTAL NON-CLUSTERED PROGRAMS		$15,324,192		$2,660,250	
Pass-Through From Non-State Entities						
66.034	Surveys, Studies, Research, Investigations, Demonstrations & Special Purpose Activities Relating to the Clean Air Act Nez Perce Tribe of Idaho; Grantor Number E11001	Environmental Quality, Department of				
	TOTAL ENVIRONMENTAL PROTECTION AGENCY		$40,023,634		$24,144,383	
	DEPARTMENT OF ENERGY					
81.041	State Energy Program	Energy Resources, Office of	$532,650			
81.041	State Energy Program	Fish and Game, Department of	148,553			
	Total 81.041		$681,203			
81.042	Weatherization Assistance for Low-Income Persons	Health and Welfare, Department of	$2,412,466		$2,361,246	
81.065	Nuclear Legacy Cleanup Program	Environmental Quality, Department of	101,194			
81.214	Environmental Monitoring/Cleanup, Cultural and Resource Mgmt., Emergency Response Research, Outreach, Technical Analysis	Environmental Quality, Department of	1,715,768			
81.U14	Tributary Water Conservation	Water Resources, Department of	359,538			
81.U17	Miscellaneous Bonneville Power Administration Grants	Fish and Game, Department of	8,578,918			
81.U17	Miscellaneous Bonneville Power Administration Grants	Species Conservation, Office of	3,857,238		1,224,788	
	Total 81.U17		$12,436,156		$1,224,788	
81.U18	Weatherization Conference	Health and Welfare, Department of	$396,481		$392,449	
81.U30	Miscellaneous Pacific States Marine Fisheries Commission Grants	Fish and Game, Department of	799,312			
	Pass-Through From Non-State Entities					
81.106	Transport of Transuranic Wastes to the Waste Isolation Pilot Plant: States and Tribal Concerns, Proposed Solutions Western Governors' Association; Grantor Number MOA 30-316-04H, MOA 30-316-04G	Environmental Quality, Department of	358,966	PT		
	TOTAL DEPARTMENT OF ENERGY		$19,261,084		$3,978,483	

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	DEPARTMENT OF EDUCATION					
	SPECIAL EDUCATION CLUSTER (IDEA)					
84.027	Special Education Grants to States	State Department of Education	$61,885,749		$59,199,892	
84.027	Special Education Grants to States	State Department of Education	7,243,017	COVID-19	7,243,017	COVID-19
	Total 84.027		$69,128,766		$66,442,909	
84.173	Special Education Preschool Grants	State Department of Education	$2,202,299		$2,146,784	
84.173	Special Education Preschool Grants	State Department of Education	387,361	COVID-19	387,361	COVID-19
	Total 84.173		$2,589,660		$2,534,145	
	TOTAL SPECIAL EDUCATION CLUSTER (IDEA)		$71,718,426		$68,977,054	
	NON-CLUSTERED PROGRAMS					
84.002	Adult Education - Basic Grants to States	Career-Technical Education, Division of	$2,151,000		$1,954,053	
84.010	Title I Grants to Local Educational Agencies	State Department of Education	60,446,253		59,460,639	
84.011	Migrant Education - State Grant Program	State Department of Education	5,714,113		5,220,685	
84.013	Title I State Agency Program for Neglected & Delinquent Children & Youth	State Department of Education	542,400			
84.048	Career and Technical Education - Basic Grants to States	Career-Technical Education, Division of	7,283,068		6,278,363	
84.126	Rehabilitation Services - Vocational Rehabilitation Grants to States	Blind and Visually Impaired, Commissio	3,117,369			
84.126	Rehabilitation Services - Vocational Rehabilitation Grants to States	Vocational Rehabilitation, Division of	14,956,233			
	Total 84.126		$18,073,602			
84.144	Migrant Education Coordination Program	State Department of Education	$67,915		$3,200	
84.177	Rehabilitation Services - Independent Living Services for Older Individuals Who Are Blind	Blind and Visually Impaired, Commissio	225,000			
84.181	Special Education - Grants for Infants and Families	Health and Welfare, Department of	3,449,858			
84.187	Supported Employment Services for Individuals with the Most Significant Disabilities	Vocational Rehabilitation, Division of	350,266			
84.196	Education for Homeless Children and Youth	State Department of Education	321,631		287,638	
84.287	Twenty-First Century Community Learning Centers	State Department of Education	6,750,248		6,263,325	
84.323	Special Education - State Personnel Development	State Department of Education	612,745		210,862	
84.334	Gaining Early Awareness and Readiness for Undergraduate Programs	State Department of Education	2,031,804		1,192,861	
84.334S	GEARUP Scholarships	Education, State Board of	1,090,556		1,073,264	
84.358	Rural Education	State Department of Education	135,272		130,571	
84.365	English Language Acquisition State Grants	State Department of Education	2,526,459		2,161,389	
84.367	Improving Teacher Quality State Grants	State Department of Education	10,175,302		9,434,882	
84.369	Grants for State Assessments and Related Activities	State Department of Education	3,550,502			
84.424	Student Support and Academic Enrichment Program	State Department of Education	5,968,521		5,750,988	
84.425C	Education Stabilization Fund - Governor's Emergency Relief Fund	Education, State Board of	5,084,197	COVID-19	784,236	COVID-19
84.425D	Education Stabilization Fund - Elementary and Secondary School Emergency Relief Fund	State Department of Education	60,518,348	COVID-19	60,445,425	COVID-19
84.425R	Emergency Assistance to Non-Public Schools	Education, State Board of	7,622,251	COVID-19		
84.425R	Emergency Assistance to Non-Public Schools	State Department of Education	2,664,219	COVID-19	1,691,098	COVID-19
	Total 84.425R		$10,286,470		$1,691,098	
84.425U	ARP ESSER	Education, State Board of	$3,383,005	COVID-19	$2,580,705	COVID-19
84.425U	Education Stabilization Fund - ARPA ESSER III	State Department of Education	148,465,849	COVID-19	148,068,723	COVID-19
	Total 84.425U		$151,848,854		$150,649,428	
84.425W	Education Stabilization Fund - ARPA ESSER - Homeless Children and Youth	State Department of Education	$587,363	COVID-19	$585,656	COVID-19
	Total 84.425W		$228,325,232		$214,155,843	
	TOTAL NON-CLUSTERED PROGRAMS		$359,791,747		$313,578,563	
	TOTAL DEPARTMENT OF EDUCATION		$431,510,173		$382,555,617	
	NATIONAL ARCHIVES AND RECORDS ADMINISTRATION					
89.003	National Historical Publications and Records Grants	Historical Society, Idaho State	$2,897			
	TOTAL NATIONAL ARCHIVES AND RECORDS ADMIN		$2,897			
	ELECTION ASSISTANCE COMMISSION					
90.404	HAVA Election Security Grants	Secretary of State	$592,086		$192,529	
	TOTAL ELECTION ASSISTANCE COMMISSION		$592,086		$192,529	
	HEALTH AND HUMAN SERVICES					
	AGING CLUSTER					
93.044	Special Programs for the Aging, Title III, Part B Grants for Supportive Services and Senior Centers	Aging, Commission on	$1,977,876		$1,853,750	
93.044	Special Programs for the Aging, Title III, Part B Grants for Supportive Services and Senior Centers	Aging, Commission on	1,013,541	COVID-19	1,013,541	COVID-19
	Total 93.044		$2,991,417		$2,867,291	
93.045	Special Programs for the Aging, Title III, Part C, Nutrition Services	Aging, Commission on	$4,104,862		$3,672,328	
93.045	Special Programs for the Aging, Title III, Part C, Nutrition Services	Aging, Commission on	898,600	COVID-19	898,600	COVID-19
	Total 93.045		$5,003,462		$4,570,928	
93.053	Nutrition Services Incentive Program	Aging, Commission on	$1,092,014		$1,092,014	
	TOTAL AGING CLUSTER		$9,086,893		$8,530,233	
	CCDF CLUSTER					
93.575	Child Care and Development Block Grant	Health and Welfare, Department of	$33,552,500		$1,345,650	
93.575	Child Care and Development Block Grant (CARES Act)	Health and Welfare, Department of	123,587,563	COVID-19		
	Total 93.575		$157,140,063		$1,345,650	
93.596	Child Care Mandatory & Matching Funds of Child Care & Develop. Fund	Health and Welfare, Department of	$13,857,795		$273,892	
	TOTAL CCDF CLUSTER		$170,997,858		$1,619,542	

*Type of assistance other than direct cash. NC = non-cash; PT = pass-through; R&D = Research and Development; COVID-19 = COVID-19 related expenditures (CARES Act, ARPA, etc.)

The accompanying notes are an integral part of this schedule.

AL	FEDERAL AGENCY FEDERAL PROGRAM TITLE	STATE AGENCY	DIRECT AWARD EXPENDITURES	TYPE*	AMOUNT PROVIDED TO SUBRECIPIENTS	TYPE*
	HEAD START CLUSTER					
93.600	Head Start	Health and Welfare, Department of	$118,179			
	TOTAL HEAD START CLUSTER		$118,179			
	MEDICAID CLUSTER					
93.775	State Medicaid Fraud Control Units	Attorney General, Office of the	$857,106			
93.777	State Survey and Certification of Health Care Providers and Suppliers	Health and Welfare, Department of	1,721,050			
93.777	State Survey and Certification of Health Care Providers and Suppliers	Health and Welfare, Department of	18,542	COVID-19		
	Total 93.777		$1,739,592			
93.778	Medical Assistance Program	Health and Welfare, Department of	$2,986,798,017		$77,500	
	TOTAL MEDICAID CLUSTER		$2,989,394,715		$77,500	
	NON-CLUSTER PROGRAMS					
93.041	Special Programs for the Aging, Title VII, Chapter 3 Programs for the Prevention of Elder Abuse, Neglect, and Exploitation	Aging, Commission on	$24,517		$20,000	
93.042	Special Programs for the Aging, Title VII, Chapter 2 Long Term Care Ombudsman Services for Older Individuals	Aging, Commission on	89,218		89,218	
93.042	Special Programs for the Aging, Title VII, Chapter 2 Long Term Care Ombudsman Services for Older Individuals	Aging, Commission on	8,953	COVID-19	337	COVID-19
	Total 93.042		$98,171		$89,555	
93.043	Special Programs for the Aging, Title III, Part D Disease Prevention and Health Promotion Services	Aging, Commission on	$127,816		$101,993	
93.043	Special Programs for the Aging, Title III, Part D Disease Prevention and Health Promotion Services	Aging, Commission on	129,412	COVID-19	129,412	COVID-19
	Total 93.043		$257,228		$231,405	
93.048	Special Programs for the Aging - Discretionary Projects	Aging, Commission on	$245,386		$110,526	
93.048	Special Programs for the Aging - Discretionary Projects	Aging, Commission on	26,724	COVID-19	24,564	COVID-19
	Total 93.048		$272,110		$135,090	
93.052	National Family Caregiver Support	Aging, Commission on	$934,782		$825,034	
93.052	National Family Caregiver Support	Aging, Commission on	334,712	COVID-19	334,712	COVID-19
	Total 93.052		$1,269,494		$1,159,746	
93.069	Public Health Emergency Preparedness	Health and Welfare, Department of	$5,056,129		$3,037,665	
93.070	Environmental Public Health and Emergency Response	Health and Welfare, Department of	31,541			
93.071	Medicare Enrollment Assistance Program	Aging, Commission on	112,289		83,922	
93.071	Medicare Enrollment Assistance Program	Insurance, Department of	122,406			
	Total 93.071		$234,695		$83,922	
93.072	Lifespan Respite Care Program	Aging, Commission on	$335,439		$276,167	
93.079	Cooperative Agreements to Promote Adolescent Health through School-Based HIV/STD Prevention and School-Based Surveillance	State Department of Education	132			
93.090	Guardianship Assistance	Health and Welfare, Department of	104,400			
93.092	Affordable Care Act (ACA) Personal Responsibility Education Program	Health and Welfare, Department of	267,634		183,805	
93.103	Food and Drug Administration Research	Agriculture, Department of	374,718		24,274	
93.103	Food and Drug Administration Research	Health and Welfare, Department of	154,388			
	Total 93.103		$529,106		$24,274	
93.110	Maternal and Child Health Federal Consolidated Programs	Health and Welfare, Department of	$95,201			
93.116	Project Grants and Cooperative Agreements for Tuberculosis Control Programs	Health and Welfare, Department of	163,325		$72,442	
93.127	Emergency Medical Services for Children	Health and Welfare, Department of	142,591			
93.130	Cooperative Agreements to States/Territories for the Coordination and Development of Primary Care Offices	Health and Welfare, Department of	172,959		900	
93.136	Injury Prevent. & Control Research and State and Community Based Programs	Health and Welfare, Department of	2,995,990		1,109,148	
93.150	Projects for Assistance in Transition from Homelessness (PATH)	Health and Welfare, Department of	170,824		167,707	
93.155	Rural Health Research Centers	Health and Welfare, Department of	5,255,941	COVID-19	5,247,721	COVID-19
93.165	Grants to States for Loan Repayment Program	Health and Welfare, Department of	17,968			
93.197	Childhood Lead Poisoning Prevention Projects, State and Local Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children	Health and Welfare, Department of	193,638			
93.217	Family Planning Services	Health and Welfare, Department of	1,444,012		1,213,813	
93.235	Affordable Care Act (ACA) Abstinence Education Program	Health and Welfare, Department of	314,831		128,103	
93.236	Grants to States to Support Oral Health Workforce Activities	Health and Welfare, Department of	333,456		68,488	
93.240	State Capacity Building	Health and Welfare, Department of	238,165			
93.241	State Rural Hospital Flexibility Program	Health and Welfare, Department of	727,748		128,082	
93.243	Substance Abuse and Mental Health Services Projects of Regional and National Significance	Drug Policy, Office of	2,189,351		1,716,236	
93.243	Substance Abuse and Mental Health Services Projects of Regional and National Significance	Health and Welfare, Department of	972,543			
93.243	Substance Abuse and Mental Health Services Projects of Regional and National Significance	State Department of Education	1,692,928		326,873	
	Total 93.243		$4,854,822		$2,043,109	
93.251	Early Hearing Detection and Intervention	Health and Welfare, Department of	$258,070			
93.268	Immunization Cooperative Agreements	Health and Welfare, Department of	2,896,095		$93,086	
93.268	Immunization Cooperative Agreements	Health and Welfare, Department of	14,652,379	COVID-19	5,598,042	COVID-19
93.268	Immunization Cooperative Agreements	Health and Welfare, Department of	26,630,207	NC		
	Total 93.268		$44,178,681		$5,691,128	
93.270	Adult Viral Hepatitis Prevention and Control	Health and Welfare, Department of	$326,705		$100,518	
93.301	Small Rural Hospital Improvement Grant Program	Health and Welfare, Department of	344,245		292,680	
93.314	Early Hearing Detection and Intervention Info. Syst. (EHDI-IS) Surveillance Prog.	Health and Welfare, Department of	139,926			

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The accompanying notes are an integral part of this schedule.

AL	FEDERAL AGENCY FEDERAL PROGRAM TITLE	STATE AGENCY	DIRECT AWARD EXPENDITURES	TYPE*	AMOUNT PROVIDED TO SUBRECIPIENTS	TYPE*
93.323	Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	Health and Welfare, Department of	$1,079,082		$172,414	
93.323	Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	Health and Welfare, Department of	23,525,639	COVID-19	12,003,126	COVID-19
	Total 93.323		$24,604,721		$12,175,540	
93.324	State Health Insurance Assistance Program	Insurance, Department of	$373,151			
93.334	The Healthy Brain Initiative: Technical Assistance to Implement Public Health Actions related to Cognitive Health, Cognitive Impairment, and Caregiving at the State and Local Levels	Health and Welfare, Department of	288,399			
93.336	Behavioral Risk Factor Surveillance System	Health and Welfare, Department of	424,172			
93.336	Behavioral Risk Factor Surveillance System	Health and Welfare, Department of	11,479	COVID-19		
	Total 93.336		$435,651			
93.354	Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response (COVID-19 Crisis Response)	Health and Welfare, Department of	$3,819,000	COVID-19	$3,731,874	COVID-19
93.366	State Actions to Improve Oral Health Outcomes and Partner Actions to Improve Oral Health Outcomes	Health and Welfare, Department of	413,862		195,521	
93.369	ACL Independent Living State Grants	Vocational Rehabilitation, Division of	374,693		288,290	
93.387	National and State Tobacco Control Program	Health and Welfare, Department of	1,140,697		473,522	
93.391	Activities to Support State, Tribal, Local and Territorial (STLT) Health Department Response to Public Health or Healthcare Crises	Health and Welfare, Department of	12,336,070	COVID-19	7,661,874	COVID-19
93.426	Improving the Health of Americans through Prevention and Management of Diabetes and Heart Disease and Stroke	Health and Welfare, Department of	2,288,179		589,526	
93.497	Family Violence Prevention and Services/ Sexual Assault/Rape Crisis Services and Supports	Health and Welfare, Department of	532,747	COVID-19	480,498	COVID-19
93.498	Provider Relief Fund	Veterans Services, Division of	10,281	COVID-19		
93.506	ACA Nationwide Program for National and State Background Checks for Direct Patient Access Employees of Long Term Care Facilities and Providers	Health and Welfare, Department of	180,051			
93.556	Promoting Safe and Stable Families	Health and Welfare, Department of	2,273,663		(23,746)	
93.558	Temporary Assistance for Needy Families	Health and Welfare, Department of	29,430,797		1,344,301	
93.563	Child Support Enforcement	Health and Welfare, Department of	12,926,105			
93.566	Refugee and Entrant Assistance State/Replacement Designee Administered Programs	Health and Welfare, Department of	1,079,925		252,479	
93.568	Low-Income Home Energy Assistance	Health and Welfare, Department of	21,006,612		3,884,360	
93.568	Low-Income Home Energy Assistance (CARES Act)	Health and Welfare, Department of	15,823,876	COVID-19	6,572,942	COVID-19
	Total 93.568		$36,830,488		$10,457,302	
93.569	Community Services Block Grant	Health and Welfare, Department of	$3,480,130		$3,316,625	
93.569	Community Services Block Grant	Health and Welfare, Department of	1,172,709	COVID-19	1,158,340	COVID-19
	Total 93.569		$4,652,839		$4,474,965	
93.586	State Court Improvement Program	Judicial Department	$378,383			
93.590	Community-Based Child Abuse Prevention Grants	Health and Welfare, Department of	275,122			
93.590	Community-Based Child Abuse Prevention Grants	Health and Welfare, Department of	272,684	COVID-19		
	Total 93.590		$547,806			
93.597	Grants to States for Access and Visitation Programs	Health and Welfare, Department of	$49,957			
93.599	Chafee Education and Training Vouchers Program	Health and Welfare, Department of	47,850			
93.603	Adoption and Legal Guardianship Incentive Payments	Health and Welfare, Department of	19,969			
93.630	Developmental Disabilities Basic Support and Advocacy Grants	Health and Welfare, Department of	527,168		$23,770	
93.643	Children's Justice Grants To States	Health and Welfare, Department of	115,433			
93.645	Stephanie Tubbs Jones Child Welfare Services Program	Health and Welfare, Department of	2,442,130		42,310	
93.658	Foster Care - Title IV-E	Health and Welfare, Department of	16,114,663			
93.659	Adoption Assistance	Health and Welfare, Department of	13,251,578			
93.665	Emergency Grants to Address Mental and Substance Use Disorders During COVID-19	Health and Welfare, Department of	866,039	COVID-19	86,786	COVID-19
93.667	Social Services Block Grant	Health and Welfare, Department of	11,670,435		1,042,352	
93.669	Child Abuse and Neglect State Grants	Health and Welfare, Department of	486,758			
93.671	Family Violence Prevent & Srvcs/Domestic Violence Shelter & Sup. Srvcs	Health and Welfare, Department of	1,103,976		1,082,094	
93.671	Family Violence Prevent & Srvcs/Domestic Violence Shelter & Sup. Srvcs	Health and Welfare, Department of	1,050,337	COVID-19	996,031	COVID-19
	Total 93.671		$2,154,313		$2,078,125	
93.674	John H. Chafee Foster Care Program for Successful Transition to Adulthood	Health and Welfare, Department of	$1,020,653			
93.734	Empowering Older Adults and Adults with Disabilities through Chronic Disease Self-Management Education Programs (PPHF)	Aging, Commission on	3,981			
93.747	Elder Abuse Prevention Interventions Program	Aging, Commission on	767,492	COVID-19	$732,503	COVID-19
93.767	Children's Health Insurance Program	Health and Welfare, Department of	93,210,849			
93.788	Opioid STR	Health and Welfare, Department of	9,272,725		5,278,071	
93.791	Money Follows the Person Rebalancing Demonstration	Health and Welfare, Department of	2,059,267			
93.796	State Survey Certification of Health Care Providers and Suppliers (Title XIX) Medicaid	Health and Welfare, Department of	1,046,201			
93.845	Promoting Population Health through Increased Capacity in Alcohol Epidemiology	Health and Welfare, Department of	102,297			
93.870	Maternal, Infant and Early Childhood Home Visiting Grant Program	Health and Welfare, Department of	3,240,680		2,546,186	
93.870	Maternal, Infant and Early Childhood Home Visiting Grant Program	Health and Welfare, Department of	432,680	COVID-19	411,513	COVID-19
	Total 93.870		$3,673,360		$2,957,699	
93.889	National Bioterrorism Hospital Preparedness Program	Health and Welfare, Department of	$1,568,104		$1,106,705	
93.898	Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations	Health and Welfare, Department of	1,483,609		573,437	
93.913	Grants to States for Operation of State Offices of Rural Health	Health and Welfare, Department of	252,728		25,000	
93.917	HIV Care Formula Grants	Health and Welfare, Department of	3,313,873		557,867	
93.940	HIV Prevention Activities - Health Department Based	Health and Welfare, Department of	924,642		472,865	

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The accompanying notes are an integral part of this schedule.

STATE OF IDAHO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
BY FEDERAL AGENCY
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

AL	FEDERAL AGENCY FEDERAL PROGRAM TITLE	STATE AGENCY	DIRECT AWARD EXPENDITURES	TYPE*	AMOUNT PROVIDED TO SUBRECIPIENTS	TYPE*
93.958	Block Grants for Community Mental Health Services	Health and Welfare, Department of	$4,992,316		$50,000	
93.958	Block Grants for Community Mental Health Services	Health and Welfare, Department of	3,209,096	COVID-19	289,165	COVID-19
	Total 93.958		$8,201,412		$339,165	
93.959	Block Grants for Prevention and Treatment of Substance Abuse	Health and Welfare, Department of	$7,979,785		$1,325,822	
93.959	Block Grants for Prevention and Treatment of Substance Abuse	Health and Welfare, Department of	5,668,431	COVID-19	482,334	COVID-19
	Total 93.959		$13,648,216		$1,808,156	
93.977	Sexually Transmitted Diseases (STD) Prevention and Control Grants	Health and Welfare, Department of	$359,113		$214,958	
93.977	Sexually Transmitted Diseases (STD) Prevention and Control Grants	Health and Welfare, Department of	1,510,214	COVID-19	800,999	COVID-19
	Total 93.977		$1,869,327		$1,015,957	
93.991	Preventive Health and Health Services Block Grant	Health and Welfare, Department of	$680,073		$435,941	
93.994	Maternal and Child Health Services Block Grant to the States	Health and Welfare, Department of	3,592,274		1,707,265	
	Pass-Through From Non-State Entities					
93.103	Food and Drug Administration Research	Agriculture, Department of	32,378	PT		
	Association of Food & Drug Officials; Grant # G-ME-2004-02385 & G-1910-02115 &G-ME-2003-02265 & G-2010-02651					
	TOTAL NON-CLUSTER PROGRAMS		$400,236,956		$83,891,388	
	TOTAL HEALTH AND HUMAN SERVICES		$3,569,834,601		$94,118,663	
	CORPORATION FOR NATIONAL & COMMUNITY SERVICE					
94.003	State Commissions	Labor, Department of	$405,137			
94.006	AmeriCorps	Labor, Department of	1,905,232		$923,819	
94.008	Commission Investment Fund	Labor, Department of	172,443			
94.013	Volunteers in Service to America	Correction, Department of	6,841			
	TOTAL CORPORATION FOR NATIONAL & COMMUNITY SERVICE		$2,489,653		$923,819	
	EXECUTIVE OFFICE OF THE PRESIDENT					
95.001	High Intensity Drug Trafficking Areas Program	Police, Idaho State	$430,197		$82,106	
	TOTAL EXECUTIVE OFFICE OF THE PRESIDENT		$430,197		$82,106	
	SOCIAL SECURITY ADMINISTRATION					
	DISABILITY INSURANCE/SSI CLUSTER					
96.001	Social Security Disability Insurance	Labor, Department of	$10,019,370			
	TOTAL DISABILITY INSURANCE/SSI CLUSTER		$10,019,370			
	NON-CLUSTERED PROGRAMS					
96.U23	Vital Statistics Birth Records Grants	Health and Welfare, Department of	$43,100			
96.U24	Vital Statistics Cooperative Program	Health and Welfare, Department of	179,653			
96.U25	Social Security Birth and Death Reports	Health and Welfare, Department of	58,815			
	TOTAL NON-CLUSTERED PROGRAMS		$281,568			
	TOTAL SOCIAL SECURITY ADMINISTRATION		$10,300,938			
	DEPARTMENT OF HOMELAND SECURITY					
97.008	Nonprofit Security Grant Program	Military, Division of	$130,712		$130,712	
97.012	Boating Safety Financial Assistance	Parks and Recreation, Department of	1,153,398		643,259	
97.023	Community Assistance Program State Support Services Element (CAP-SSSE)	Water Resources, Department of	99,726			
97.032	Crisis Counseling	Health and Welfare, Department of	8,409			
97.036	Disaster Grants - Public Assistance (Presidentially Declared Disasters)	Health and Welfare, Department of	16,179,637	COVID-19	15,990,000	COVID-19
97.036	Disaster Grants - Public Assistance (Presidentially Declared Disasters)	Military, Division of	3,607,599		3,532,235	
97.036	Disaster Grants - Public Assistance (Presidentially Declared Disasters)	Military, Division of	29,390,290	COVID-19	3,401,610	COVID-19
	Total 97.036		$49,177,526		$22,923,845	
97.039	Hazard Mitigation Grant	Military, Division of	$412,207		$382,439	
97.041	National Dam Safety Program	Water Resources, Department of	188,534			
97.042	Emergency Management Performance Grants	Military, Division of	3,757,398		1,540,221	
97.042	Emergency Management Performance Grants	Military, Division of	552,872	COVID-19	150,847	COVID-19
	Total 97.042		$4,310,270		$1,691,068	
97.043	State Fire Training Systems Grant Program	Career-Technical Education, Division of	$2,723			
97.045	Cooperating Technical Partners	Military, Division of	8,996			
97.046	Fire Management Assistance Grant	Military, Division of	32,292		$32,292	
97.047	Pre-Disaster Mitigation	Military, Division of	761,491		731,792	
97.050	Presidential Declared Disaster Assistance to Individuals and Households - Other Needs	Labor, Department of				
97.067	Homeland Security Grant Program	Military, Division of	4,015,932		3,136,921	
97.082	Earthquake Consortium	Military, Division of	16,321			
97.111	Regional Catastrophic Preparedness Grant Program	Military, Division of	145,790			
	TOTAL DEPARTMENT OF HOMELAND SECURITY		$60,464,327		$29,672,328	
	RESEARCH AND DEVELOPMENT CLUSTER					
	DEPARTMENT OF AGRICULTURE					
10.028	Wildlife Services	Fish and Game, Department of	$30,078	R&D		
	Research and Development Cluster: APHIS					
10.170	Specialty Crop Block Grant Program - Farm Bill	Agriculture, Department of	1,136,309	R&D	$1,020,066	R&D
	Research and Development Cluster: Agricultural Marketing Service					
10.U04	Miscellaneous Forest Service Grants	Fish and Game, Department of	5,000	R&D		
	Research and Development Cluster: Bureau of Land Management					
	TOTAL DEPARTMENT OF AGRICULTURE		$1,171,387		$1,020,066	

*Type of assistance other than direct cash. NC = non-cash; PT = pass-through; R&D = Research and Development; COVID-19 = COVID-19 related expenditures (CARES Act, ARPA, etc.)

The accompanying notes are an integral part of this schedule.

AL	FEDERAL AGENCY FEDERAL PROGRAM TITLE	STATE AGENCY	DIRECT AWARD EXPENDITURES	TYPE*	AMOUNT PROVIDED TO SUBRECIPIENTS	TYPE*
	DEPARTMENT OF COMMERCE					
11.407	Interjurisdictional Fisheries Act of 1986 Research and Development Cluster: National Oceanic and Atmospheric Administration	Fish and Game, Department of	$18,409	R&D		
11.441	Regional Fishery Management Councils Research and Development Cluster: Pacific Fisheries Management Council	Fish and Game, Department of	65,944	R&D		
	TOTAL DEPARTMENT OF COMMERCE		$84,353			
	DEPARTMENT OF DEFENSE					
12.300	Basic and Applied Scientific Research Research and Development Cluster:Department of the Navy	Fish and Game, Department of	$56,061	R&D		
	TOTAL DEPARTMENT OF DEFENSE		$56,061			
	DEPARTMENT OF THE INTERIOR					
15.231	Fish, Wildlife and Plant Conservation Resource Management Research and Development Cluster: Bureau of Land Management	Fish and Game, Department of	$6,464	R&D		
15.517	Fish & Wildlife Coordination Act Research and Development Cluster: Bureau of Land Management	Fish and Game, Department of	210,041	R&D		
15.605	Sport Fish Restoration Research and Development Cluster: Fish & Wildlife Service	Fish and Game, Department of	831,210	R&D	$80,991	R&D
15.611	Wildlife Restoration and Basic Hunter Education Research and Development Cluster: Fish & Wildlife Service	Fish and Game, Department of	2,288,830	R&D	370,353	R&D
15.615	Cooperative Endangered Species Conservation Fund Research and Development Cluster: Cooperative Endangered Species Conservation Fund	Fish and Game, Department of	110,094	R&D	48,793	R&D
15.657	Endangered Species Conservation - Recovery Implementation Funds Research and Development Cluster: Fish & Wildlife Service	Fish and Game, Department of	774	R&D		
	TOTAL DEPARTMENT OF THE INTERIOR		$3,447,413		$500,137	
	DEPARTMENT OF LABOR					
17.002	Labor Force Statistics Research and Development Cluster: Bureau of Labor Statistics	Labor, Department of	$641,449	R&D		
17.005	Compensation and Working Conditions Research and Development Cluster: Compensation and Working Conditions	Labor, Department of	14,756	R&D		
	TOTAL DEPARTMENT OF LABOR		$656,205			
	DEPARTMENT OF TRANSPORTATION					
20.205	Highway Planning and Construction Research and Development Cluster: Federal Highway Administration	Transportation Department, Idaho	$1,289,466	R&D		
	TOTAL DEPARTMENT OF TRANSPORTATION		$1,289,466			
	DEPARTMENT OF ENERGY					
81.U17	Misc. Bonneville Power Administration Grants Research and Development Cluster: Bonneville Power Administration	Fish and Game, Department of	$5,410,212	R&D	$108,874	R&D
	TOTAL DEPARTMENT OF ENERGY		$5,410,212		$108,874	
	HEALTH AND HUMAN SERVICES					
93.631	Developmental Disabilities Projects of National Significance Research and Development Cluster: Administration for Community Living Administration for Community Living (ACL) Regents of the University of Idaho Grantor ID: DD3083-SB-854941	Health and Welfare, Department of	$120,516	PT, R&D		
	TOTAL HEALTH AND HUMAN SERVICES		$120,516			
	TOTAL RESEARCH AND DEVELOPMENT CLUSTER		$12,235,613		$1,629,077	
	TOTAL EXPENDITURES OF FEDERAL AWARDS		$5,646,503,591		$974,599,816	

*Type of assistance other than direct cash. NC = non-cash; PT = pass-through; R&D = Research and Development; COVID-19 = COVID-19 related expenditures (CARES Act, ARPA, etc.)

The accompanying notes are an integral part of this schedule.

STATE OF IDAHO
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Purpose of the Schedules

The supplementary Schedule of Expenditures of Federal Awards (schedules) are in addition to the State's basic financial statements and are presented for purposes of additional analysis. The schedule by federal agency is required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements for Federal Awards* (Uniform Guidance). Uniform Guidance is issued by the Office of Management and Budget (OMB) pursuant to the Single Audit Act of 1984, P.L. 98-502, and the Single Audit Act Amendments of 1996, P.L. 104-156.

B. Reporting Entity

The reporting entity includes all State departments and entities included in the State's *Annual Comprehensive Financial Report* (*ACFR*). This report includes all federal awards except for the colleges and universities and the Idaho Housing and Finance Association, which are audited by independent certified public accountants and published under separate cover.

C. Basis of Accounting

The schedules were prepared using the cash basis of accounting. Expenditures are recognized when paid, rather than when obligations are incurred. Therefore, some amounts presented in these schedules may differ from amounts presented in, or used in the preparation of, the basic financial statements. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

D. Basis of Presentation

Expenditures of Federal Awards – In accordance with the Uniform Guidance, federal awards are federal cost-reimbursement contracts or federal financial assistance (cash or non-cash) in the form of grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other assistance. Awards may be received directly from a federal agency or indirectly from a pass-through entity. Contracts between the State and Federal government for which the Federal Government procures tangible goods or services are not considered to be expenditures of federal awards.

Assistance listing – refers to the publicly available listing of Federal assistance programs managed and administered by the General Services Administration.

Assistance listing number – a unique number assigned to identify a Federal Assistance Listings.
Uniform Guidance requires the schedules to provide total federal awards expended by the State for each individual federal program by Assistance Listing (AL) number. Federal programs that have not been assigned a specific AL number are assigned a miscellaneous AL number. The first two digits (prefix) of a miscellaneous AL number identify the federal awarding agency followed by a three-digit extension (e.g., U01, U02, etc.).

Program Clusters – Closely related programs with different assistance listing numbers that share common compliance requirements are considered "program clusters." The Schedule of Expenditures of Federal Awards by Federal Agency displays programs by program cluster as mandated by the Uniform Guidance. Programs not included within a designated cluster are presented under the title "NON-CLUSTERED PROGRAMS." Programs identified as research and development are grouped together in the "RESEARCH AND DEVELOPMENT CLUSTER."

Valuation of Non-Cash Assistance – Non-cash awards are identified by "NC" on the schedules. Non-cash expenditures of federal awards were determined as follows:

1. AL 10.551, Supplemental Nutrition Assistance Program (SNAP) – reported at the dollar value (fair market value) of electronic benefit transfers authorized and used for food purchases by recipients.

2. AL 10.555, National School Lunch Program – reported at the fair market value of the food commodities distributed.

3. AL 10.569, Emergency Food Assistance Program (Food Commodities) – reported at the fair market value of the food commodities distributed.

4. AL 39.003, Donation of Federal Surplus Personal Property – reported at the fair market value of donated property as determined by General Services Administration (GSA). GSA designated fair market value at 23.68% of original acquisition cost.

5. AL 93.268, Immunization Cooperative Agreements – reported at the federally assigned value of the serum distributed.

NOTE 2 – DE MINIMIS COST RATE

The following Agencies use the 10% de Minimis indirect cost rate: The Office of Drug Policy, Idaho Career and Technical Education, and the STEM Action Center.

NOTE 3 – UNEMPLOYMENT INSURANCE

State Funds Included with Federal Funds: State unemployment insurance funds are included with federal funds in the total expenditures for AL 17.225. The State portion was $96,377,772 and the federal portion was $24,837,028.

NOTE 4 – LOANS OUTSTANDING

The following loan programs are administered on behalf of federal awarding agencies:

A. The Office of Energy Resources administers loan and grant programs (AL 81.041) for the U.S. Department of Energy. The original source of these funds was petroleum price violations. The funds are used to finance various energy conservation projects. The outstanding principal and interest at June 30, 2023, was $803,599. The Office of Energy Resources determined uncollectible accounts to be $0.

B. The Department of Environmental Quality administers loans for the Capitalization Grants for Clean Water State Revolving Funds (AL 66.458) and the Capitalization Grants for Drinking Water State Revolving Funds (AL 66.468). These revolving funds make loans to qualified agencies for various water treatment projects. The loans are funded by the federal capitalization grants, State match, and revolving funds. The loans are disbursed as borrowers incur costs and are repaid over 20 years starting within one year after project completion. Interest rates vary between 0 percent and 4.5 percent. Management considers all loans to be fully collectible, so the Department of Environmental Quality determined uncollectible accounts to be $0.

STATE OF IDAHO
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

Loan programs at June 30, 2023:

CAPITALIZATION GRANTS FOR CLEAN WATER - AL 66.458

	Loan Authorized	Principal Repayments	Remaining Commitment	Receivable Balance
Completed Projects	$ 299,766,879	$ 98,090,244		$ 201,676,635
Projects in Progress	228,640,014		$ 73,461,847	155,178,167
Totals	$ 528,406,893	$ 98,090,244	$ 73,461,847	356,854,802
Less: Amount Due Within 1 Year				18,632,326
Loans Receivable Net of Current Maturities				$ 338,222,476

CAPITALIZATION GRANTS FOR DRINKING WATER - AL 66.468

	Loan Authorized	Principal Repayments	Remaining Commitment	Receivable Balance
Completed Projects	$ 142,841,362	$ 54,845,990		$ 87,995,372
Projects in Progress	112,443,761		$ 47,478,532	64,965,229
Totals	$ 255,285,123	$ 54,845,990	$ 47,478,532	152,960,601
Less: Amount Due Within 1 Year				6,533,199
Loans Receivable Net of Current Maturities				$ 146,427,402

STATE OF IDAHO
SINGLE AUDIT REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

AUDITOR'S RESULTS

STATE OF IDAHO
SUMMARY OF AUDITOR'S RESULTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

BASIC FINANCIAL STATEMENTS

1. Type of auditor's report issued: ***Unmodified***

2. Internal control over financial reporting:
   - Material weaknesses identified? _x_ yes ___ no
   - Significant deficiencies identified? _x_ yes ___ none reported

3. Noncompliance material to financial statements noted? ___ yes _x_ no

FEDERAL AWARDS

4. Internal control over major programs:
   - Material weaknesses identified? _x_ yes ___ no
   - Significant deficiencies identified? _x_ yes ___ none reported

5. Type of auditor's report issued on compliance for major programs:

SNAP Cluster	*Unmodified*
Highway Planning and Construction	*Qualified*
Emergency Rental Assistance Program	*Unmodified*
Homeowner Assistance Fund	*Unmodified*
Coronavirus State and Local Fiscal Recovery Funds	*Unmodified*
Rehabilitation Services – Vocational Rehabilitation Grants to States	*Unmodified*
Education Stabilization Fund	*Unmodified*
Activities to Support State, Tribal, Local and Territorial (STLT) Health Department Response to Public Health or Healthcare Crises	*Unmodified*
Temporary Assistance to Needy Families	*Qualified*
Low-Income Home Energy Assistance (CARES Act)	*Unmodified*
Foster Care – Title IV-E	*Unmodified*
Adoption Assistance	*Qualified*
Miscellaneous Bonneville Power Administration Grants	*Unmodified*
CCDF Cluster	*Qualified*
Medicaid Cluster	*Qualified*

6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a) of the *Uniform Guidance*? _x_ yes ___ no

7. Identification of major programs:

Program/Cluster Title	AL #
SNAP Cluster	10.551, 10.561
Highway Planning and Construction	20.205
Emergency Rental Assistance Program	21.023
Homeowner Assistance Fund	21.026
Coronavirus State and Local Fiscal Recovery Funds	21.027
Rehabilitation Services – Vocational Rehabilitation Grants to States	84.126
Education Stabilization Fund	
Governor's Emergency Relief Fund	84.425C
Elementary and Secondary School Emergency Relief Fund	84.425D
Emergency Assistance for Non-Public Schools	84.425R

ARPA ESSER III	84.425U
ARPA ESSER - Homeless Children and Youth	84.425W
Activities to Support State, Tribal, Local and Territorial (STLT) Health Department Response to Public Health or Healthcare Crises	93.391
Temporary Assistance to Needy Families	93.558
Low-Income Home Energy Assistance (CARES Act)	93.568
Foster Care – Title IV-E	93.658
Adoption Assistance	93.659
Miscellaneous Bonneville Power Administration Grants	81.U17
CCDF Cluster	93.575, 93.596
Medicaid Cluster	93.775, 93.777, 93.778

8. Dollar threshold used to distinguish between Type A and Type B programs: $16,939,511

9. Auditee qualified as a low-risk auditee? ___ yes __x__ no

STATE OF IDAHO
SCHEDULE OF BASIC FINANCIAL STATEMENTS FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

STATE AGENCY		PAGE
OFFICE OF THE STATE CONTROLLER		
2023-101	The Office misclassified early repayments of $51.3 million of GARVEE and TECM debt as prepaids.	24
2023-102	The Department of Health and Welfare reported Supplemental Nutrition Assistance Program (SNAP) non-cash amounts for food stamps on the Schedule of Expenditures of Federal Awards (SEFA) closing package of $255.8 million that was not included by the Office in the financial statements.	25
2023-103	The Office's internal review process did not prevent or detect misstatements in the statewide ACFR submitted to the auditors.	26
OFFICE OF THE STATE CONTROLLER, DIVISION OF STATEWIDE PAYROLL		
2023-104	A reconciliation was not completed to ensure the completeness of payroll accruals included in the statewide financial statements.	30
STATE DEPARTMENT OF EDUCATION		
2023-105	The Department did not implement new policies and procedures to properly monitor data that supports foundation payments made to school districts and charter schools.	31
DIVISION OF FINANCIAL MANAGEMENT		
2023-106	The Division understated the Grants Advances closing package for the American Rescue Plan Act funds by $181 million.	33
IDAHO STATE TAX COMMISSION		
2023-107	The Commission's Accounts Receivable closing package for the statewide financial statements was overstated by $92.9 million.	34
2023-108	Monthly reconciliations of the Refund Fund were not properly completed and documented for 5 of 12 months reviewed, or 42 percent.	35
IDAHO STATE TREASURER'S OFFICE		
2023-109	The investments closing package submitted by the Office for the statewide ACFR was understated for restricted investments by $87.7 million.	36

STATE OF IDAHO
BASIC FINANCIAL STATEMENTS FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

OFFICE OF THE STATE CONTROLLER (Office)

FINDING 2023-101

The Office misclassified early repayments of $51.3 million of GARVEE and TECM debt as prepaids.

Type of Finding: Material Weakness

Criteria: The *Internal Control Integrated Framework* published by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) provides a basis for organizations to design internal control procedures to ensure reliable financial reporting, effective and efficient operations, and compliance with applicable laws and regulations. Components of this framework include risk assessment and control activities. Risk assessment is the identification and analysis of various risks entities face because of changing economic, industry, regulatory, and operating conditions. It provides a basis to develop appropriate responses to manage those risks. Control activities are policies and procedures that help ensure management directives are carried out and risks are mitigated, including verifications, approvals, reconciliations, authorizations, and segregation of duties that support this objective. Information and communication relates to obtaining quality information and effective internal and external communication of that information to achieve management objectives. Monitoring is the evaluation of results of the internal controls system and remediation of deficiencies in a timely manner.

Management objectives should include the preparation and fair presentation of the Annual Comprehensive Financial Report (ACFR) in conformity with accounting principles generally accepted in the United States of America and compliance with applicable laws and regulations.

Condition: The Idaho Transportation Department made early repayments of GARVEE debt of $46.4 million and for TECM debt of $4.8 million that were included as Inventories and Prepaids on the financial statements. This misstatement was identified by the auditors and communicated to management during the audit process after the financial statements were provided for audit and exceeded our materiality threshold for the Transportation column of the Governmental Fund statements but was corrected prior to issuing the ACFR.

Cause: The Office misinterpreted how to account for the early payments of the long-term debt. The Office contacted GASB after we identified the concern, and determined the early payment of long-term debt should be a reduction of long-term debt and not a prepaid.

Effect: The financial statements submitted for audit contained misstatements that exceeded our materiality threshold for the Transportation column of the Governmental Fund statements. These errors were corrected prior to issuance of the ACFR:

- Inventories and Prepaids on the Transportation column of the Governmental Fund were overstated by $51.3 million. In addition, this $51.3 million was misclassified in the fund balance as Nonspendable: Inventory and Prepaids instead of Restricted.
- On the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances, Expenditures for Debt Service: Principal Retirement were understated by $34.5 million and Expenditures for Debt Service: Interest and Other Charges were understated by $16.8 million.
- On the Governmental Activities of the Government-Wide Statement of Net Position prepaids were overstated by $51.3 million, the current portion of Bonds and Notes Payable was overstated by $34.5 million, and Other Accrued Liabilities were overstated by $16.8 million.

Recommendation: We recommend that the Office improve training to ensure appropriate interpretation of the requirements for the compilation of the financial statements.

Management's View: *The State Controller's Office agrees with this finding.*

Corrective Action: *The adjustments to correct this were done prior to issuance. The Idaho Transportation Department had reported prepaying the GARVEE and TECM note payable to ensure that payment was received with new systems being implemented July 1st. As we had previously done with leases, we kept the liability and booked an asset. After discussing the issue with GASB, they informed us that long term liabilities would not be considered a prepaid, instead a reduction of liability would be shown on the statements. We have noted this and will be updating our closing package instructions to show that these items should be excluded.*

Auditor's Concluding Remarks: We thank the Office for its cooperation and assistance throughout the audit.

FINDING 2023-102
The Office did not properly include Supplemental Nutrition Assistance Program (SNAP) non-cash amounts for food stamps, as reported by the Department of Health and Welfare on the Schedule of Expenditures of Federal Awards (SEFA) closing package, of $255.8 million.

Type of Finding: Material Weakness

Criteria: The *Internal Control Integrated Framework* published by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) provides a basis for organizations to design internal control procedures to ensure reliable financial reporting, effective and efficient operations, and compliance with applicable laws and regulations. Components of this framework include risk assessment and control activities. Risk assessment is the identification and analysis of various risks entities face because of changing economic, industry, regulatory, and operating conditions. It provides a basis to develop appropriate responses to manage those risks. Control activities are policies and procedures that help ensure management directives are carried out and risks are mitigated, including verifications, approvals, reconciliations, authorizations, and segregation of duties that support this objective. Information and communication relates to obtaining quality information and effective internal and external communication of that information to achieve management objectives. Monitoring is the evaluation of results of the internal controls system and remediation of deficiencies in a timely manner.

Management objectives should include the preparation and fair presentation of the ACFR in conformity with accounting principles generally accepted in the United States of America and compliance with applicable laws and regulations.

Idaho Code, Section 67-1001(2), requires that the Office submit Generally Accepted Accounting Principles (GAAP) financial statements to the governor and Legislative Services on or before the first day of January for the preceding fiscal year. The Office achieves compliance through the preparation and submission of the ACFR.

Idaho Code, Section 67-1007, states that the State controller may examine any of the books, papers, accounts, bills, vouchers or other documents of property of any or all of the State officers and custodians of State funds.

Condition: Non-cash amounts for the Supplemental Nutrition Assistance Program (SNAP) reported for food stamps on the Department of Health and Welfare's SEFA closing package of $255.8 million were not included as revenues on the Grants and Contributions line and expenditures on the Health and Human Services line of the Governmental Fund Statements and were not included as Expenses and Operating Grants and Contributions on the Health and Human Services line of the Statement of Activities. This misstatement exceeded our materiality threshold for the Health & Welfare column of the Governmental Fund statements but was corrected prior to issuing the ACFR.

Cause: The Office has procedures in place to ensure that closing package entries are processed properly; however, this procedure occurred after the financial statements had been submitted for audit. The Office identified the error after submission of the financial statements for audit. A well designed and implemented control should have occurred prior to submitting the financial statements for audit.

Effect: The financial statements were understated by $255.8 million. This error affects multiple lines on multiple financial statements. Revenues on the Grants and Contributions line and expenditures on the Health and Human Services line of the Governmental Fund Statements were understated and Expenses and Operating Grants and Contributions on the Health and Human Services line of the Statement of Activities were understated.

Recommendation: We recommend that the Office strengthen the design and implementation, including timing, of internal controls to ensure all appropriate closing packages are processed and included on the financial statements prior to submitting for audit.

Management's View: *The State Controller's Office agrees with this finding.*

Corrective Action: *The entry was made before the financial statements were issued. While the non-cash entry was created, it was inadvertently not processed. To ensure this does not happen again in the future, we will be adding an additional trend analysis specific to the SNAP non-cash as part of the SEFA task checklist. This will involve running a query for the current and two prior fiscal years and ensuring the variance from year to year is within a reasonable range. In addition, we will require the entry to be done where the other miscellaneous entries are entered and processed.*

Auditor's Concluding Remarks: We thank the Office for its cooperation and assistance throughout the audit.

FINDING 2023-103

The Office's internal review process did not prevent or detect misstatements in the statewide ACFR submitted to the auditors.

Type of Finding: Significant Deficiency

Criteria: The *Internal Control Integrated Framework* published by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) provides a basis for organizations to design internal control procedures to ensure reliable financial reporting, effective and efficient operations, and compliance with applicable laws and regulations.

Components of this framework include risk assessment and control activities. Risk assessment is the identification and analysis of various risks entities face because of changing economic, industry, regulatory, and operating conditions. It provides a basis to develop appropriate responses to manage those risks. Control activities are policies and procedures that help ensure management directives are carried out and risks are mitigated, including verifications, approvals, reconciliations, authorizations, and segregation of duties that support this objective. Information and communication relates to obtaining quality information and effective internal and external communication of that information to achieve management objectives. Monitoring is the evaluation of results of the internal controls system and remediation of deficiencies in a timely manner.

Management objectives should include the preparation and fair presentation of the ACFR in conformity with accounting principles generally accepted in the United States of America and compliance with applicable laws and regulations.

Idaho Code, Section 67-1001(2), requires that the Office submit Generally Accepted Accounting Principles (GAAP) financial statements to the governor and Legislative Services on or before the first day of January for the preceding fiscal year. The Office achieves compliance through the preparation and submission of the ACFR.

STATE OF IDAHO
BASIC FINANCIAL STATEMENTS FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Idaho Code, Section 67-1007, states that the State Controller may examine any of the books, papers, accounts, bills, vouchers, or other documents of property of any or all of the State officers and custodians of State funds.

Condition: Several misstatements and presentation errors were either identified by the auditors and communicated to management during the audit process or identified by the Office after the financial statements were provided to the auditors. The following items exceeded our trivial thresholds, but did not exceed the materiality thresholds, for the applicable opinion unit and were corrected prior to issuing the ACFR:

Financial Statement Errors:

- The Component Units column of the Government-Wide Statement of Net Position understated Long-Term Liabilities Due Within One Year and overstated Long-Term Liabilities Due in More Than One Year by $27.8 million.
- Net Position Restricted for Permanent Trust Fund – Expendable was understated by $16 million and Unrestricted Net Position was overstated by $16 million on the Statement of Net Position for the Colleges and University fund of the Proprietary Fund statements and Business-Type Activities of the Government-Wide statements.
- The footnote on the Combining Statement of Cash Flows for Non-Major Enterprise funds overstated the Liquor Division's Capital Asset Acquisition by Lease amount by $7.6 million.
- The Component Unit Statement of Net Position, Idaho Housing and Finance Association (IHFA) Column, Due Within One Year line was understated by $3.8 million and the Due in More Than One Year line was overstated by $3.8 million.

Note 2:

- The Component Units Maturity of Debt Investments understated the Bonds Mutal Funds line by $3.7 million.
- The Restricted Assets Schedule had a negative balance of $60.7 million for the Coronavirus Aid, Relief, and Economic Security (CARES) Act but should have been combined with the American Rescue Plan (ARPA) Act to avoid a negative asset restriction.

Note 8:

- The first paragraph under Mortality Rates discusses the study of demographic assumptions, including mortality for the base plan and Fireman's Retirement Fund (FRF) for the period 2011 through 2017. However, the supporting documentation states that demographic assumptions, including mortality for the base plan and FRF were studied for the period 2015 through 2020.

Note 9:

- GASB 75 paragraph 56c requires a brief description of assumptions changes or other inputs that affected measurement of the total Other Post-Employment Benefits (OPEB) liability since the prior measurement date. The note disclosure stated that changes in assumptions for the University of Idaho plan were the net effect of several factors, including actuarial experience losses and valuation assumption changes without explaining what those changes were. The disclosure should have stated that changes were the result of updating year per capita health costs and retiree contribution rates, updating actuarial factors used to estimate individual retiree and spouse costs by age and gender, modifying future trend on such costs, updating mortality rates, and modifying the percentage of future retirees assumed to elect Plan A versus Plan B.

Note 11:

- The table for the Future Minimum Leases Payable contained several errors beginning with fiscal years 2029 through 2033. This resulted in incorrect amounts for the fiscal year; however, the total present value was correct.
- The Subscription-Based Information Technology Arrangements (SBITA) Right to Use Subscription assets table for Business-Type Activities Assets were overstated by $11.2 million.

- The interest rate range for the SBITA was listed incorrectly as 1.7 percent to 5.6 percent, this should have been 0.25 percent to 5.6 percent.

Note 13:

- The Revenue Bond Debt Service Requirements to Maturity Component Unit Schedule, contained an error in the interest rates listed, this should be disclosed as 2.02 percent to 6.35 percent.
- The fiscal year in the discussion of Revenue Bonds was incorrectly listed as 2022.
- The interest rated disclosed on the Debt Service Requirements to Maturity Schedule for Governmental Activities for Internal Service should not have been included.
- The interest rate for IHFA on the Debt Service Requirements to Maturity Schedule for Component Units should have been listed as 0.00 percent to 6.50 percent.
- In the Changes in Long Term Liabilities Schedule, the Right-to-Use Payables line for Governmental Activities was understated by $67.7 million, the Notes Payable line for Business-Type Activities was overstated by $.03 million, and the Claims and Judgements line for Component Units was overstated by $.5 million.
- In the Changes in Long Term Liabilities Schedule, the Amounts Due in One Year in the Component Unit Revenue Bonds line was understated by $3.8 million.
- The Schedule for Outstanding Debt Payable for each Defeased Debt Issue contained errors, the amount defeased for Idaho State Building Authority (ISBA) 2003 Series B Bonds was overstated by $4.8 million, ISBA 2005 Series A/2013 Series B Bonds was overstated by $.7 million, and the Idaho Bond Bank Authority (IBBA) 2017 Series A Bonds was overstated by $2.9 million.
- In the disclosure of Conduit Debt for the Idaho Water Resource Board, the stated aggregate principal amount payable of $9.4 million was understated by $19.6 million and should be disclosed as $29 million.
- In Section D, Notes Payable, under the Primary Government, the discussion of Transportation Expansion and Congestion Mitigation (TECM) incorrectly reported pledged revenue percentage as 6.1 percent. This should have been reported as 2.12 percent.
- In Section D, Notes Payable, under the Primary Government, the pledged revenue for Grant Anticipation Revenue Vehicle (GARVEE) bonds was understated by $67.7 million. Total principal and interest payments was overstated by $46.4 million. Additionally, the discussion noted that the amount of bonds possible exceeded the amount of bonds issued.
- In the Note, Debt Service Requirements to Maturity Schedule under Governmental Activities, Transportation, for fiscal year 2024, the amounts for principal and interest were overstated by $34.5 million and by $16.8 million respectively.
- In schedule F, Changes in Long-Term Liabilities, the amount due within one year for Component Units was understated by $27.8 million.

Note 16:

- The Unfunded Commitment amount for the University of Idaho Foundation was understated by $17 million and should have been $31.4 million. Section B, Primary Government Commitments did not include $14.4 million as reported by the University of Idaho.
- Encumbrances for the Federal Stimulus fund was overstated by $37 million and Nonmajor Governmental encumbrances were understated by $37 million.

Management Discussion and Analysis (MD&A):

- In the discussion of Net Position for Governmental Activities, the MD&A reported an increase in Net Position of $694.6 million, this was overstatement of $7.3 million.
- In the discussion of the General Fund highlights, the MD&A reported that General Fund receipts were $950 million less in fiscal year 2023 than in fiscal year 2022, this amount was overstated by $94.9 million.
- In the Long-Term Debt discussion of the IHFA notes, the amount of newly issued TECM bonds was overstated by $8 million.

Required Supplementary Information (RSI):

- GASB 75 paragraph 58 requires a brief description of assumptions changes or other inputs that affect trends in the amounts reported. The note disclosure states that changes in assumptions for the University of Idaho plan were the net effect of several factors, including actuarial experience losses and valuation assumptions changes without explaining what those changes were. The disclosure should have stated changes were the result of updating year per capita health costs and retiree contribution rates, updating actuarial factors used to estimate individual retiree and spouse costs by age and gender, modifying future trend on such costs, updating mortality rates, and modifying the percentage of future retirees assumed to elect Plan A versus Plan B.

The following items were not changed prior to issuance of the ACFR and were not material:

Note 9:

- The disclosures for the University of Idaho did not include a reference to the date of an experience study on which significant assumptions are based. We also noted that the University of Idaho outside audit did not include this information.

Component Unit Materiality Determination:

- Several blended and discrete component units identified by the Office were excluded from the ACFR. The following entities had amounts that exceeded the trivial threshold for aggregate discretely presented component units.
  - Friends of Public TV Foundation
  - Bureau of Education Services for Deaf and Blind
  - Idaho Youth Challenge Foundation (Military)

Cause: Internal controls over the compilation process for the ACFR included review of work by a staff member independent of the staff member completing the work; however, these review processes did not prevent or detect the misstatements, errors, and omissions listed above. We noted several errors were due to information from the prior year not updated with current year information.

Effect: The financial statements and note disclosures submitted for audit contained several misstatements and information that was not clearly presented; the amounts of which were not material but exceeded our trivial threshold.

Recommendation: We recommend that the Office strengthen the review process over the compilation of the ACFR to ensure that the financial statements, note disclosures, and other information contained therein agree to the documentation that supports those amounts, including closing packages and outside audits.

Management's View: *The State Controller's Office agrees with this finding.*

Corrective Action: *The State Controller's Office acknowledges the misstatements and presentation errors identified by the auditors. Most errors were corrected prior to the issuance of the financial statements. The office will continue to evaluate and make improvements to the internal review procedures. The office will be working with the entities that provide us audited financial statements to ensure that we are provided with a final audit along with all the data that is required by GASB to be presented in the statements. If there are drafts, we will implement a compare process to ensure we catch any changes. Our team will review GASB guidance and take opportunities for training when available. We will be implementing the use of task checklists and prior year findings, to ensure a complete and timely review of the notes.*

Auditor's Concluding Remarks: We thank the Office for its cooperation and assistance throughout the audit.

STATE OF IDAHO
BASIC FINANCIAL STATEMENTS FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

OFFICE OF THE STATE CONTROLLER, DIVISION OF STATEWIDE PAYROLL (Office)

FINDING 2023-104
A reconciliation was not completed to ensure the completeness of payroll accruals included in the statewide financial statements.

Type of Finding: Significant Deficiency

Criteria: The *Internal Control Integrated Framework* published by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) provides a basis for organizations to design internal control procedures to ensure reliable financial reporting, effective and efficient operations, and compliance with applicable laws and regulations. Components of this framework include risk assessment, control activities, and monitoring.

Condition: As part of the year-end process, the Office makes journal entries to record year-end payroll accruals for the portion of June payroll that was paid out in July. During our testing of the procedures to complete the fiscal year 2023 payroll accruals, we noted no reconciliation was performed to ensure the completeness of the payroll accrual amounts. Verifying completeness of the population ensures that all transactions that should have been included have been recorded in the financial statements.

Cause: On June 11, 2023, the State transitioned the payroll system from the Employee Information System (EIS) to Human Capital Management (HCM). This transition is part of the overall implementation of the new enterprise resource planning system, Luma. Due to the transition, queries were also not available, and only Luma Payroll Distribution reports were used for calculating the payroll accruals. No reconciliation occurred between the HCM system and the Financial Services Module (FSM), the financial module in Luma.

This reconciliation is necessary to ensure that all time entered into the HCM module and those associated payroll costs were accurately included in the FSM module. Without a reconciliation, we were unable to verify that the payroll accrual was complete and all costs were included.

Effect: Not performing a reconciliation increases the risk of inaccurate or incomplete payroll accruals that could be significant to the statewide ACFR.

One of the procedures we perform is an analytical procedure to determine if the accrual amount is materially accurate and reasonable. Based on the application of that procedure, we have determined that the accrual is reasonable and very likely materially accurate; however, a significant deficiency in control activities still remains that increases the risk of errors or omissions that could be material.

Recommendation: We recommend that the Office ensure that a reconciliation is performed to verify that the payroll accruals are complete and accurate.

Management's View: *The State Controller's Office agrees with this finding.*

Corrective Action: *The office makes journal entries to record year-end payroll accruals for the portion of June payroll that was paid out in July. The audit noted no reconciliation was performed to ensure the completeness of the payroll accrual amounts. Due to the transition to a new enterprise resource planning system, the assertion was that there were no queries to reconcile between the Human Capital Management module and the Financial Services Module is inaccurate. The State Controller's Office did create detailed reports that required additional knowledge and expertise to isolate the exact information needed to reconcile.*

Our corrective action plan is to improve the queries and reports available prior to the end of the fiscal year. As the upcoming year transition will occur within a singular system, we fully expect this to be a minor task with suitable reporting available. We will then accomplish the reconciliation and document the completion.

Auditor's Concluding Remarks: We thank the Office for its cooperation and assistance throughout the audit.

STATE DEPARTMENT OF EDUCATION (Department)

FINDING 2023-105
The Department did not implement new policies and procedures to properly monitor data that supports foundation payments made to school districts and charter schools.

Type of Finding: Significant Deficiency

Criteria: Idaho Code, Title 33, Chapter 10 establishes the foundation program and how payments for education support shall be calculated. Included in this section are the rules for data elements that are included in the calculation of this payment. Further, this section states that the State Board of Education and/or State Superintendent of Public Instruction shall establish rules on the method of data collection. The Idaho Administrative Procedures Act (IDAPA) 08.02.01 notes that data must be submitted through the State longitudinal system.

Idaho Code, Section 33-701(6), requires school districts to submit audited financial statements for review by the Department by November 10 each year. If the Department requests further explanation or additional information regarding the audit report, the school district shall provide a full and complete response within 30 days of the request.

Idaho Code, Section 33-701(7), requires school districts to annually file with the Department such financial and statistical reports required by the State Superintendent of Public Instruction.

The Department published a Memorandum to Auditors of Idaho's Public School Districts and Charter Schools (Memo) that outlines several areas that the Department requests the auditors to review and test during the audit of Idaho's public schools. Specific areas of review include a review of revenue and expenditure coding, review of the accuracy of the school's attendance, staffing, and pupil transportation data, among other things.

The *Internal Control Integrated Framework* published by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) provides a basis for organizations to design internal control procedures to ensure reliable financial reporting, effective and efficient operations, and compliance with applicable laws and regulations. Components of this framework include risk assessment and control activities and monitoring. Control activities are policies and procedures that help ensure management directives are carried out and risks are mitigated, including verifications, approvals, reconciliations, authorizations, and segregation of duties that support this objective. Monitoring is the evaluation of results of the internal controls system and remediation of deficiencies in a timely manner.

Condition: This is a repeat of Finding 2022-103 related to the Department's use of data from the Idaho System for Education Excellence (ISEE), which is the State longitudinal system required through IDAPA 08.02.01, to calculate and distribute foundation payments to Idaho school districts. School districts directly submit the required data, such as student attendance and teacher information through ISEE.

Through fiscal year 2023, the Department relied on financial audits completed by CPA firms to verify the support for and internal controls over the data entered by the school districts. The Department provided criteria for review in a memo to CPA firms contracted by school districts and charter schools to complete the financial audits. This memo includes specific items for review and suggested testing to be completed by the contracted auditors; however, there was no mechanism to verify that the procedures were completed or if there were weaknesses identified. As part of its corrective action related to Finding 2022-103 at the beginning of fiscal year 2024, the Department requested from those CPA firms a Letter of Assurance attesting that their testing procedures included a review of student attendance and enrollment data, school staffing data, financial data, procurement policies, and pupil transportation data.

The Department is also in the process of developing procedures to complete additional deeper reviews of a sample of public and chart schools' audit reports to verify the accuracy of data reporting.

Neither of these procedures were completed during fiscal year 2023.

Cause: The Department is in the process of implementing their proposed corrective action plan for the fiscal year 2022 audit; however, no changes were available for audit for fiscal year 2023.

Effect: Each year, the Department distributes over $2 billion to schools, the majority of their general maintenance and operating revenues. The amount distributed is based on attendance and staffing information provided by the public schools through the ISEE data reporting. Without assurances that the data input into the system is accurate, the Department is at risk of providing incorrect payments to school districts.

Recommendation: We recommend that the Department completes the implementation of the corrective action plan to ensure the data entered into ISEE is accurate and reliable.

Management's View: *The Department agrees with this finding.*

Corrective Action: *The Public School Finance team implemented a Letter of Assurance completed by school auditors acknowledging the review of auditing recommendations set forth in the annual memo. This document outlines key areas of focus and provides reassurance that these areas are being reviewed. Specifically, a question is included asking if auditors reviewed internal controls for data submission and verified the accuracy of staffing and student information submitted by schools during the period of audit. A timeline of that process is immediately below:*

- *March 2, 2023: Notified school districts and charter schools during the annual spring training of the finding and that a Letter of Assurance would be requested from their auditor.*
- *May 2023: Department staff member working on this project transferred to another state agency.*
- *June 29, 2023: Mailed a 14-page "CPA Memo" to all auditors who had completed public school audits in the prior school year outlining major areas that each auditor should be reviewing and testing during audits of Idaho's public schools.*
- *June 29, 2023: That same "CPA Memo" was emailed to all auditors (whose email addresses we had) as well as all school district and charter school business managers.*
- *September 2023: Drafted the Letter of Assurance language.*
- *September 13 and 15, 2023: Had discussions with school auditors who provide services to several schools on the purpose/goal of the Letter of Assurance and received their feedback.*
- *September 15, 2023: Emailed Letter of Assurance to school auditors (whose addresses we had).*
- *September 18, 2023: Mailed the Letter of Assurance to all school auditors.*
- *October 4, 2023: Shared/discussed the Letter of Assurance with the school district and charter school staff attending the monthly School Business Official webinar.*
    - *The agenda for the meeting, which included the actual Letter of Assurance, was shared with all school business managers.*
    - *A recording of the webinar is available to all business managers.*

- *December 8, 2023: Updated the Letter of Assurance for FY 2024 to specifically include a statement that internal controls for data submission were reviewed.*
- *December 8, 2023: Have received the majority of the requested Letter of Assurances.*

While Public School Finance staff review the audits submitted, the Department of Education will develop an additional deeper review of a small sample of district/charter school audits to verify accuracy of data reporting.

The Department's FY 2025 budget request includes a new position whose focus would be data validation and ensuring students are accounted for properly through working with Idaho's public schools and school auditors.

In the spring of 2024, Department staff will request the audit workpapers from a small sample of school districts and charter schools to do a deeper review and verify that items included in the Letter of Assurance were reviewed and documented.

Auditor's Concluding Remarks: We thank the Department for its cooperation and assistance throughout the audit.

DIVISION OF FINANCIAL MANAGEMENT (Division)

FINDING 2023-106

The Division understated the Grants Advances closing package for the American Rescue Plan Act funds by $181 million.

Type of Finding: Material Weakness, Material Misstatement

Criteria: The *Internal Control Integrated Framework*, published by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), identifies control activities that help ensure management directives are carried out and risks are mitigated. These activities include adequate review and authorization of financial reporting and using the general ledger or other reliable records as the basis for reports.

Additionally, each year, State agencies are required to report accounting information to the Office of the State Controller (Office) in the form of closing packages, which provide the details necessary to prepare the statewide *Annual Comprehensive Financial Report* (ACFR). The Office provides instructions for preparing the closing packages in accordance with Generally Accepted Accounting Principles (GAAP).

Condition: The Division submitted to the Office Form 15B - Grants Advances closing package related to the American Rescue Plan Act (ARPA) Fund 0344. The original submission was understated by $180,857,061.

The Grants Advances closing package requires the preparer to report the beginning balance, the amount expensed or transferred, and finally the ending balance. The original submission by the Division contained numerous errors for the amounts reported as beginning balance and the amounts expensed. These errors led to the ending balance also being inaccurate.

The amount reported as the beginning balance was understated by $86,139,274. The amount expensed was overstated by $94,717,787, and the advance ending balance was understated by $180,857,061. In addition, the total amount of advance reported in the prior year was understated by $99,205,207.

Cause: The original submission included the amounts distributed to other agencies, but not the amounts expended by the Division for the ARPA Fund 0344. The Division's review procedures were not performed at a level sufficient to identify and correct the errors prior to submission to the Office.

Effect: In the absence of the audit work completed and the resulting adjustment completed by the Office, the statewide ACFR would have included an understatement of $180,857,061 in grants advances related to ARPA funding.

Recommendation: We recommend that the Division strengthen the review process over the completion and submission of closing packages to ensure that accurate and reliable financial information is provided to the Office.

Management's View*: The Division agrees with this finding.*

Corrective Action: *The agency submitted the grants package initially and had to make corrections to the report after this initial submission. We appreciate both LSO and SCO for working with DFM to ensure the correction was made in a timely fashion prior to issuance of the public financial statement. A weakness in internal controls prevented the identification of the error prior to the initial submission. While this technical error did not result in any funds being available to any agencies in error, DFM agrees that it is paramount that correct information be reported on all financial statements to ensure public confidence in state government. DFM will work with SCO for the necessary training on the grants package to remedy this internal control weakness prior to the next submission.*

Auditor's Concluding Remarks: We thank the Division for its cooperation and assistance throughout the audit.

IDAHO STATE TAX COMMISSION (Commission)

FINDING 2023-107

The Commission's Accounts Receivable closing package for the statewide financial statements was overstated by $92.9 million.

Type of Finding: Material Weakness

Criteria: The *Internal Control Integrated Framework*, published by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), identifies control activities that help ensure management directives are carried out and risks are mitigated. These activities include adequate review and authorization of financial reporting and using the general ledger or other reliable records as the basis for reports.

Each year, State agencies are required to report accounting information to the Office of the State Controller (Office) in the form of closing packages, which provide the information necessary to prepare the statewide ACFR. The Office provides instructions for preparing the closing packages in accordance with Generally Accepted Accounting Principles (GAAP). The Commission is required to submit an Accounts Receivable closing package related to each fund with estimate tax receivables in excess of $50,000.

Condition: The Commission is required to report tax amounts owed from parties outside the State as of June 30 each year. The total taxes receivable amounts include estimated amounts to be collected within 60 days and within one year. The Commission prepares a compilation spreadsheet from system reports and historical trend information for each tax type and fund. The spreadsheet takes into account several factors including actual amounts received in July for accounts receivable at June 30, cash on hand, estimated refunds based on historical information, and uncollectible amounts over a five-year period.

Legislation in fiscal year 2023 authorized the creation of the In-Demand Careers Fund (0323) with an $80 million annual appropriation. The same legislation appropriated $330 million annually to the Public School Income Fund (0481). Quarterly transfers were made in July 2023 from the General Fund to distribute $20 million to the In-Demand Careers Fund and $82.5 million to the Public School Income Fund. These two quarterly transfers were not factored into the initial Accounts Receivable closing package calculation submitted by the Commission. There was an additional $2 million transfer in the Sales Tax Fund (0502) that was incorrectly included.

Cause: Review procedures were not completed with a sufficient level of scrutiny to detect and correct errors in the amounts reported. The Commission's process of calculating and reviewing the accounts receivable amounts for accuracy and reasonableness changed in fiscal year 2023 to account for the implementation of Luma, the State's newly implemented enterprise system for financial management and human capital management. In addition, to review weaknesses, a portion of the cause of the error was due to the Commission lacking appropriate access to see that fund in Luma.

Effect: The errors resulted in a $92.9 million overstatement for the accounts receivable balance reported to the Office. The General Fund was overstated by $110,927,812; the In-Demand Careers Fund was understated by $20,000,000; and the Sales Tax Fund was overstated by $1,987,739.

After the errors were identified, the Commission worked with the Office to submit the corrected amounts.

Recommendation: We recommend that the Commission strengthen their internal control procedures to ensure that the accounts receivable amounts submitted to the Office are accurate and complete.

Management's View: *The Commission agrees with this finding.*

Corrective Action: *Strengthen internal control procedures to ensure the accounts receivable closing package submitted for ACFR is accurate and complete. Create an internal review process and audit activities to assist with this process.*

Auditor's Concluding Remarks: We thank the Commission for its cooperation and assistance throughout the audit.

FINDING 2023-108
Monthly reconciliations of the Refund Fund were not properly completed and documented for 5 of 12 months reviewed, or 42 percent.

Type of Finding: Significant Deficiency

Criteria: The *Internal Control Integrated Framework* published by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) provides a basis for organizations to design internal control procedures to ensure reliable financial reporting, effective and efficient operations, and compliance with applicable laws and regulations. Components of this framework include risk assessment, control activities, and monitoring.

Condition: At the close of each month, a reconciliation of the Refund Fund is completed to ensure the accuracy between Navision (the Commission's internal accounting system) and the Statewide Accounting and Reporting System (STARS). To document the performance of the reconciliation, the individual completing the reconciliation initials a master monthly checklist. Our testing found that this reconciliation did not occur in 5 of the 12 months of fiscal year 2023.

Cause: The monthly checklist used to document review and approval of monthly reconciliations was not completed in full for 5 out of 12 months in fiscal year 2023. The reviewer's initials on the checklist documents and verifies that a review occurred. Without the initials on the checklist, there is no way to verify that the review occurred and that internal controls were operating effectively.

Effect: We were unable to verify that controls were operating throughout the entire period for the Total Refund Fund. While there were no substantive errors found during the audit, the lack of review increases the risk that errors could occur and not be identified and corrected.

Recommendation: We recommend that the Commission strengthen internal controls and improve the documentation of control activities performed for all fund reconciliations to ensure that reviews are completed and documented.

Management's View: *The Commission agrees with this finding.*

Corrective Action: *Strengthen controls and create documentation of control activities performed for the Refund Fund. Segregation of duties are in place to assist with this process.*

Auditor's Concluding Remarks: We thank the Commission for its cooperation and assistance throughout the audit.

IDAHO STATE TREASURER'S OFFICE (Office)

FINDING 2023-109

The investments closing package submitted by the Office for the statewide ACFR was understated for restricted investments by $87.7 million.

Type of Finding: Significant Deficiency

Criteria: The *Internal Control Integrated Framework*, published by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), identifies control activities that help ensure management directives are carried out and risks are mitigated. These activities include adequate review and authorization of financial reporting and using the general ledger or other reliable records as the basis for reports.

State agencies are required to report accounting information to the Office of the State Controller in the form of closing packages, which provide the details necessary to prepare the statewide ACFR. The Office provides instructions for preparing the closing packages in accordance with Generally Accepted Accounting Principles (GAAP).

Condition: The Office is required to report the fair value and restricted amounts for the investments it manages on the Investments closing package. The amount reported for the Millennium Permanent Endowment fund restricted amount was incorrectly reported. The assets of this fund are restricted by Idaho Code 67-1801 and therefore the fair value and restricted amounts of the investments should be the same. The investment fair value on June 30 was $97.5 million; however, the restricted amount as of June 30 was listed as $9.7 million, resulting in an understatement of $87.7 million for restricted investments.

After communication with the Office regarding the errors noted during the audit, the Office resubmitted information to the Office of the State Controller to correct the misstatements.

Cause: The Offices' final review procedures over the investments closing package was not performed at a level sufficient to identify and correct the errors prior to submission to the Office of the State Controller.

Effect: The statewide ACFR would have included an understatement of $87.7million in the restricted investments section of the financial statements for fiscal year 2023, had the error not been identified through the audit procedures completed.

Recommendation: We recommend that the Office strengthen the review process over the completion and submission of closing packages to ensure that accurate and reliable financial information is provided to the Office of the State Controller. The Office should also consider additional training on the appropriate completion of information to be reported in compliance with government accounting standards.

Management's View: *The Office agrees with this finding.*

Corrective Action: *As recommended, the STO will evaluate and make improvements to the internal review process of closing packages and consider additional training when available.*

Typically, the Treasurer's Office has the opportunity to review any discrepancies prior to the final submission to the State Controller's Office. Our current internal review process has worked well, but the Luma transition put an increased workload on staff during the period that closing packages were prepared, limiting the ability for a more thorough review before the due dates. The understated amount for restricted investments was corrected prior to issuance of the financial statements, so no additional action is necessary.

Even though this year was out of the ordinary, we will evaluate the process to determine if any improvements to the internal review for closing packages is needed. This will be completed by June 30, 2024.

Auditor's Concluding Remarks: We thank the Office for its cooperation and assistance throughout the audit. We continue to asset that the Office does need to strengthen internal controls for the review of the closing packages, as we identified the current process did not prevent or detect an error.

STATE OF IDAHO
SCHEDULE OF FEDERAL FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

STATE AGENCY		FEDERAL AGENCY	PAGE
IDAHO DEPARTMENT OF ADMINISTRATION			
2023-201	The Coronavirus State and Local Fiscal Recovery Fund (CSLFRF) was understated by $18 million on the Schedule of Expenditures of Federal Awards (SEFA) Closing Package.	Department of Treasury	41
OFFICE OF THE STATE CONTROLLER			
2023-202	Closing package submissions and revisions completed prior to the draft of the Schedule of Expenditures of Federal Awards (SEFA) being submitted for audit were not included in the schedule resulting in misstatements.	Various	42
IDAHO DEPARTMENT OF CORRECTION			
2023-203	The Schedule of Expenditures of Federal Awards (SEFA) closing package originally submitted to the Office of the State Controller did not properly report expenditures for the Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) program.	Department of Treasury	43
STATE BOARD OF EDUCATION			
2023-204	The Schedule of Expenditures of Federal Awards (SEFA) closing package understated the Education Stabilization Fund - Governor's Emergency Education Relief (GEER II) by $1,039,753 and overstated the Education Stabilization Fund – Emergency Assistance to Non-Public Schools (EANS) program by the same amount.	Department of Education	45
IDAHO DEPARTMENT OF ENVIRONMENTAL QUALITY			
2023-205	The Department understated total federal expenditures on the Schedule of Expenditures of Federal Awards (SEFA) closing package by $24,824,862 and understated amounts passed through to subrecipients by $39,901,202.	Various	47
2023-206	The Department did not fully disclose required information to subrecipients, document subrecipient risk assessments, or ensure subrecipient audits were received for the Coronavirus State and Local Fiscal Recovery Fund.	Department of Treasury	50
IDAHO DIVISION OF FINANCIAL MANAGEMENT			
2023-207	The Division overstated federal expenditures by incorrectly including $6.6 million expended under the State Small Business Credit Initiative (SSBCI) on the Schedule of Expenditures of Federal Awards (SEFA) closing package.	Department of Treasury	53
IDAHO DEPARTMENT OF HEALTH AND WELFARE			
2023-208	The Schedule of Expenditures of Federal Awards (SEFA) closing package originally submitted to the Office of the State Controller (Office) included multiple errors.	Various	54

STATE AGENCY		FEDERAL AGENCY	PAGE
2023-209	Monthly cost allocation statistics, used to allocate indirect costs to federal grants, were not reviewed and approved by the Department.	Various	56
2023-210	Low-Income Home Energy Assistance Program (LIHEAP) performance and special reports did not include a review for accuracy and compliance prior to submission.	Department of Health and Human Services	58
2023-211	The review and approval of the annual updates to the Low-Income Home Energy Assistance Program (LIHEAP) benefits matrix were not documented.	Department of Health and Human Services	59
2023-212	The review of the Low-Income Home Energy Assistance Program (LIHEAP) earmarking compliance requirements was not documented.	Department of Health and Human Services	60
2023-213	The Department erroneously determined that two recipients of Temporary Assistance for Needy Families (TANF) funding were contractors instead of subrecipients resulting in noncompliance with the subrecipient monitoring requirements.	Department of Health and Human Services	61
2023-214	The Department did not maintain sufficient documentation to support eligibility award decisions for the Community Partners Grants within the Child Care and Development Fund (CCDF) program.	Department of Health and Human Services	63
2023-215	The Department's review of child care providers health and safety inspections for the Child Care and Development Fund (CCDF) were not completed timely.	Department of Health and Human Services	65
2023-216	The Department did not have appropriate documentation to support allowability of transactions for the Foster Care Title IV-E program.	Department of Health and Human Services	66
2023-217	The Department does not have documented internal controls for adjustments processed to the Foster Care -Title IV-E program.	Department of Health and Human Services	68
2023-218	The Department failed to provide necessary documentation to support the eligibility determination for two foster care providers within the Foster Care -Title IV-E program.	Department of Health and Human Services	69
2023-219	The level of effort spending requirements for the Adoption Assistance Title IV-E program were not met.	Department of Health and Human Services	71
2023-220	The Department failed to provide necessary supporting documentation for five Adoption Assistance Title IV-E eligibility determinations.	Department of Health and Human Services	72
2023-221	The Department did not review subrecipient application information for the Coronavirus State and Local Fiscal Recovery Funds at a sufficient level to identify missing information.	Department of Treasury	73

STATE AGENCY		FEDERAL AGENCY	PAGE
2023-222	Supporting documentation to demonstrate the completion of subrecipient risk assessments for the Activities to Support State, Tribal, Local and Territorial (STLT) Health Department Response to Public Health or Healthcare Crises program was not available for review.	Department of Health and Human Services	75
2023-223	Managed Care providers lacked documentation to support continued eligibility within the Medicaid Program.	Department of Health and Human Services	76
2023-224	The required audited financial reports were not collected as required to ensure compliance with the Managed Care Organization contracts.	Department of Health and Human Services	77
IDAHO DEPARTMENT OF PARKS AND RECREATION			
2023-225	Review of federal suspension and debarment status is not adequately performed or documented to demonstrate compliance with the federal requirements for the Coronavirus State and Local Fiscal Recovery Funds program.	Department of Treasury	79
IDAHO TRANSPORTATION DEPARTMENT			
2023-226	The Department did not develop and execute a Value Engineering work plan in compliance with the regulations for the federal Highway Planning and Construction grant.	Department of Transportation	80

STATE OF IDAHO
FEDERAL FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

IDAHO DEPARTMENT OF ADMINISTRATION (Department)

FINDING 2023-201

The Coronavirus State and Local Fiscal Recovery Fund (CSLFRF) was understated by $18 million on the Schedule of Expenditures of Federal Awards (SEFA) Closing Package.

Type of Finding: Significant Deficiency, SEFA Misstatement

Assistance Listing Title: State and Local Fiscal Recovery Fund
Assistance Listing Number: 21.027
Federal Award Number: SLFRP0142
Program Year: March 3, 2021 – December 31, 2024
Federal Agency: Department of Treasury
Compliance Requirement: U.S. *Code of Federal Regulations* (CRF) 2 CFR 200.510(b)
Questioned Costs: None

Criteria: The *Internal Control Integrated Framework* published by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) identifies control activities that help ensure management directives are carried out throughout the operation. Verifications, approvals, and authorizations are all control activities that support this objective. The U.S. *Code of Federal Regulations* (CFR), 2 CFR 200.303, states that the 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.

Additionally, 2 CFR 200.510 requires the State to prepare a SEFA, which must include the total federal awards expended for each individual federal award program. The Office of the State Controller requires agencies to complete the SEFA closing package and uses this information to compile the statewide SEFA.

Condition: The Department underreported $18 million in federal expenditures incurred under the CSLFRF program on the SEFA closing package. The expenditures were incurred for COVID-related claims covered under the State's health plan using CSLFRF funds and should have been reported on the closing package.

Cause: The CSLFRF funds were deposited to and expended from a non-federal fund. The SEFA closing package was prepared using similar procedures as the previous year by reporting federal expenditures included in federal funds. This approach did not consider that federal funds might have been expended through other means, and they were not reported. Additionally, there was staff turnover in a key financial position that contributed to this error.

Effect: In the absence of the audit work completed and the resulting revised submission by the Department, the statewide SEFA would have included an understatement of $18 million for the Coronavirus State and Local Fiscal Recovery Fund, Assistance Listing number 21.027.

Recommendation: We recommend that the Department strengthen the design and implementation of internal controls to ensure all federal funds are properly accounted for and those expenditures are included in the SEFA closing package.

Management's View: *The Department of Administrations agrees that the SEFA was prepared using procedures similar to prior years, which failed to capture the expenditures related to the CSLFRF as those funds were deposited into a non-federal fund as directed by the legislature in HB752.*

Corrective Action: *Prior to the issuance of this memo, the Department transferred the remaining $6,969,325.15 of CSLFRF funds into a separate reporting program. The Department will process quarterly* *reconciliations utilizing the quarterly reports from the insurance carrier. These transactions will then be queried each year, similar to other federal funding sources, and reported on the SEFA. Future federal awards will be deposited into a federal funding source or clearly delineated from non-federal funding sources to ensure proper reporting on the SEFA.*

Auditor's Concluding Remarks: We thank the Department for its cooperation and assistance throughout the audit.

OFFICE OF THE STATE CONTROLLER (Office)

FINDING 2023-202

Closing package submissions and revisions completed prior to the draft of the Schedule of Expenditures of Federal Awards (SEFA) being submitted for audit were not included in the schedule resulting in misstatements.

Type of Finding: Significant Deficiency, SEFA Misstatement

Assistance Listing Title: Coronavirus State and Local Fiscal Recovery Fund; Medical Assistance Program; and Children's Health Insurance Fund
Assistance Listing Number: 21.027; 93.778; 93.767
Federal Award Number: Various
Program Year: Various
Federal Agency: Department of Treasury and Health and Human Services
Compliance Requirement: U.S. *Code of Federal Regulations* (CFR) 200.510(b)
Questioned Costs: None

Criteria: The *Internal Control Integrated Framework* published by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) provides a basis for organizations to design internal control procedures to ensure reliable financial reporting, effective and efficient operations, and compliance with applicable laws and regulations. Components of this framework include risk assessment, control activities, and information and communication. Risk assessment is the identification and analysis of various risks entities face because of changing economic, industry, regulatory, and operating conditions and provides a basis to develop appropriate responses to manage those risks. Control activities are policies and procedures that help ensure management directives are carried out and risks are mitigated. Verifications, approvals, reconciliations, authorizations, and segregation of duties are all control activities that support this objective. Information and communication relate to obtaining quality information and effective internal and external communication of that information to achieve management objectives.

Management objectives should include the preparation and fair presentation of the SEFA in relation to the basic financial statements as a whole and in compliance with requirements contained in the U.S. *Code of Federal Regulations* (CFR), *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* (2 CFR §200.510(b)), which states it must include:

- Total federal awards expended as determined in accordance with 2 CFR §200.502.
- Total amount provided to subrecipients from each federal program.

Condition: The SEFA submitted for audit purposes included misstatements for Direct Awards for Assistance Listing (AL) number 21.027 (Coronavirus State and Local Fiscal Recovery Fund (CSLFRF)), 93.778 (Medical Assistance Program (Medicaid)), and 93.767 (Children's Health Insurance Program (CHIP)). We noted the following errors in Direct Award Expenditures:

- AL number 21.027 was understated $21,358,086 for Direct Award Expenditures reported by the Department of Health and Welfare and by an additional $500,000 reported by the Department of Correction.

- AL number 93.778 was understated by $25,108,923 for Direct Expenditures reported by the Department of Health and Welfare.
- AL number 93.767 was overstated by $3,469,677 for Direct Expenditures reported by the Department of Health and Welfare.

Cause: Each year, State agencies report total federal awards expended on a closing package. The Office uses these closing packages to compile the SEFA. The Office's review procedures over this process did not include the revised closing package submitted by the Department of Health and Welfare or the revisions communicated between the Office and the Department of Corrections. These revisions occurred prior to the draft of the SEFA submitted for audit.

Effect: The SEFA submitted for audit contained misstatements; however, these errors have been corrected. In the absence of audit work completed, the statewide SEFA would have included an understatement of $21,858,086 for the CSLFRF program; an understatement of $25,108,923for the Medicaid program; and an overstatement of $3,469,677 for the CHIP program.

Recommendation: We recommend that the Office design and implement procedures to ensure amounts reported on closing package submissions and later revisions are properly reviewed and reported on the statewide SEFA.

Management's View: *The Office agrees with this finding.*

Corrective Action: *An agency submitted a revised SEFA template in November 2023. We inadvertently excluded those revisions from the draft of the SEFA provided for audit. To prevent this error from happening again, we will document each agency that submits a revised SEFA template(s) on our SEFA review checklist. This will require the preparer and reviewer(s) to verify and sign off on changes made to the SEFA master file.*

Errors identified were corrected before issuance of the Single Audit report. Corrective actions will be implemented for fiscal year 2024 reporting.

Auditor's Concluding Remarks: We thank the Office for its cooperation and assistance throughout the audit.

IDAHO DEPARTMENT OF CORRECTION (Department)

Finding 2023-203

The Schedule of Expenditures of Federal Awards (SEFA) closing package originally submitted to the Office of the State Controller did not properly report expenditures for the Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) program.

Type of Finding: Significant Deficiency, SEFA Misstatement

Assistance Listing Title: Coronavirus State and Local Fiscal Recovery Fund
Assistance Listing Number: 21.027
Federal Award Number: SLFRP0142
Program Year: March 3, 2021 – December 31, 2024
Federal Agency: Department of Treasury
Compliance Requirement: U.S. *Code of Federal Regulations* (CFR) 2 CFR 200.510(b)
Questioned Costs: None

Criteria: The U.S. *Code of Federal Regulations* (CFR), 2 CFR 200.510(b), requires the State to prepare a Schedule of Expenditures of Federal Awards (SEFA) for the fiscal year that must include the total federal awards expended. State agencies are required to report federal expenditures incurred for each federal program during the State fiscal year to the Office of the State Controller (Office) through the SEFA closing package. The Office provides instructions on the completion of the closing package.

The *Uniform Guidance* included in 2 CFR 200.303 requires that a non-federal entity receiving federal awards establish and maintain internal controls that provide reasonable assurance that the non-federal entity is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions in the federal award. The *Internal Control Integrated Framework* published by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) identifies control activities that help ensure management directives are carried out and risks are mitigated. These activities include things like approvals, authorizations, verifications, reconciliations, and segregation of duties.

Condition: The Department did not identify expenditures accurately when completing the schedule of expenditures of federal awards closing package. The closing package includes different tabs to report total expenditures and expenditures made to subrecipients. Reported expenditures to subrecipients should be a subset of total expenditures. However, The Department reported zero total expenditures related to the Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) program but $10.5 million of expenditures to subrecipients. However, $10 million of that were funds that had been transferred to the Division of Public Works for the Wastewater Lagoon project. Because they are transferred from one state agency to another, these funds have not yet been expended by the State and, as such, should not be reported as expenditures.

Cause: The Department did not appear to fully understand how to prepare the closing package, and it was not reviewed with enough detail or knowledge to identify the error.

Effect: The statewide SEFA was understated by $500,000 that was truly expended, but only reported as a subrecipient expenditure and thus not included in total expenditures for the CSLFRF program.

Recommendation: We recommend that the Department improve training and the review process for the SEFA closing package to ensure all amounts are correctly reported.

Management's View: *The Department agrees with this finding.*

Corrective Action: *After management review the department will improve training and process review of preparation of the SEFA closing package to ensure all amounts are correctly reported. This lack of understanding of the SEFA was due to staff turnover and lack of subject matter experts regarding the SEFA for Fiscal Year 2023.*

The agency will implement the following to fix this issue:

a) *Financial Manager (or delegate) expenditure detail report shall include grant fund 344 (ARPA grants), 348 fund (grants), and any additional funds designated by the legislature or agency, for the specific purpose of tracking federal grant funding.*
b) *Once prepared by the Financial Manager (or delegate), review of the SEFA by the Financial Officer for completeness, verifying all required grant federal funds appropriated to the agency are included on the SEFA closing package.*
c) *Financial Manager and Financial Officer meet to review the SEFA for agreement of grant expenditure amounts reported on the SEFA.*

Auditor's Concluding Remarks: We thank the Department for its cooperation and assistance throughout the audit.

STATE OF IDAHO
FEDERAL FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

STATE BOARD OF EDUCATION (Board)

FINDING 2023-204
The Schedule of Expenditures of Federal Awards (SEFA) closing package understated the Education Stabilization Fund - Governor's Emergency Education Relief (GEER II) by $1,039,753 and overstated the Education Stabilization Fund – Emergency Assistance to Non-Public Schools (EANS) program by the same amount.

Related to Prior Finding: 2021-202

Type of Finding: Significant Deficiency, SEFA Misstatement

Assistance Listing Title: Governors Emergency Education Relief Fund; Emergency Assistance for Non-Public Schools
Assistance Listing Number: 84.425C; 84.425R
Federal Award Number: S425C210043; S425R210024
Program Year: January 8, 2021 – September 30, 2023; February 11, 2021 – September 30, 2023
Federal Agency: Department of Education
Compliance Requirement: U.S. Code of Federal Regulations (CFR) 200.510(b)
Questioned Costs: None

Criteria: The *Internal Control Integrated Framework* published by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) provides a basis for organizations to design internal control procedures to ensure reliable financial reporting, effective and efficient operations, and compliance with applicable laws and regulations. Components of this framework include risk assessment, control activities, and information and communication. Risk assessment is the identification and analysis of various risks entities face because of changing economic, industry, regulatory, and operating conditions. It provides a basis to develop appropriate responses to manage those risks. Control activities are policies and procedures that help ensure management directives are carried out and risks are mitigated. Verifications, approvals, reconciliations, authorizations, and segregation of duties are all control activities that support this objective. Information and communication relate to obtaining quality information and effective internal and external communication of that information to achieve management objectives.

Management objectives should include the preparation and fair presentation of the SEFA in relation to the basic financial statements as a whole and in compliance with requirements contained in the U.S. *Code of Federal Regulations* (CFR), *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* (2 CFR § 200.510(b)), which states it must include:

- Total federal awards expended as determined in accordance with 2 CFR § 200.502, and
- Total amount provided to subrecipients from each federal program

The Office of Management and Budget (OMB) Compliance Supplement also indicates that the SEFA should include the individual subprograms the funds were expended under, including each separate Assistance Listing (AL) number with the applicable alpha character.

Condition: The Board completed a SEFA closing package to report federal grant expenditures. This closing package included errors in reporting for the Education Stabilization Fund. The Governor's Emergency Education Relief (GEER II, Assistance Listing number 84.425C) expenditures were understated by $1,039,753 and the Coronavirus Response and Relief Supplemental Appropriations Act, 2021 – Emergency Assistance to Non-Public Schools (EANS, Assistance Listing number 84.425R) expenditures were overstated by $1,039,753.

Cause: The State was given a specific period of time to obligate funds under the EANS program. Unobligated funds were then required to be reverted to the governor to be redistributed and used under the GEER II program.

The Board had difficulty tracking available funds for each program. When preparing the SEFA, Board staff found errors in the total amounts reported for each program and made unsupported adjustments to these two programs.

Effect: Total federal expenditures reported on the Board's SEFA was correct. However, specific identification by program, as required, was understated by $1,039,753 for one program, and one program was overstated by the same amount.

Recommendation: We recommend that the Board design and implement procedures to ensure federal expenditure amounts for each program are properly reported and proper adjustments are made prior to the reporting deadline.

Management's View: *The Board agrees with the finding.*

The Report states "the State was given a specific period of time to obligate funds under the EANS program. Unobligated funds were then required to be reverted to the governor to be redistributed and used under the GEER II program. The Board had difficulty tracking available funds for each program. When preparing the SEFA, Board staff found errors in the total amounts reported for each program and made unsupported adjustments to these two programs."

The Finding states that total federal expenditures reported on the Board's SEFA was correct. However, specific identification by program, as required, was understated by $1,039,753 for one program, and overstated for another program, by the same amount.

Patrick Coulson, Chief Financial Officer and Scott Christie, Financial Manager met with Amy Brown, LSO Audit Manager. Ms. Brown indicated that the EANS funds should have been moved from the State Department of Education (SDE) federal DoE G5 system to OSBE G5 system for better management of the funds. Mr. Christie asked Gideon Tolman, Chief Financial Officer for SDE whether the EANS funds in G5 would move to OSBE G5. Mr. Tolman said they would not. At this point OSBE was working with three PCAs used for the same Budget Unit and Fund for all GEER II funds: GEER II 29410, EANS 29710 and GEANS (which was created for the reverted EANS funds now GEER II funds). The GEER II PCA 29410 had a specific CFDA number based on the Grant Award Notification. EANS PCA 29710 had a specific CFDA number based on the example Grant Award Notification provided by SDE. OSBE was not aware of, nor was it provided, a unique CFDA number that should be used for the reverted EANS/GEER II funds.

Mr. Christie considered the SDE EANS GEER funds the same as the OSBE GEER funds. In other words, once unobligated EANS moneys were reverted (by operation of law) to the Governor,1 all moneys in the GEER II fund were considered fungible.2 They were in the same OSBE appropriation, Budget Unit and Fund. The only distinction was that OSBE and SDE had access to separate buckets of GEER cash.

When a large contract came up for payment on June 29th, Mr. Christie was also looking ahead at the implementation of the new statewide ERP Luma system. Mr. Christie wasn't confident that Project Contracts had been set up correctly in Luma. Mr. Christie also understood that there would be considerably more work reconciling grant to cash balances in Luma compared to the legacy ERP system.

For these reasons, on June 29th Mr. Christie drew down all the remaining GEER II funds to zero out that grant by the end of the fiscal year. When the coding for the contract payment came across, it was coded to PCA 29410, GEER II. OSBE could have coded the payment to either PCA 29450 or 29710, as they were now all considered GEER II funds.

We do not believe that there were unsupported adjustments to these two programs. The adjustments were based on making sure the SEFA was accurate, and accuracy was confirmed in the Report: "total federal *expenditures reported on the Board's SEFA was [sic] correct." We wanted to ensure we were not overstating the expenses for GEER II on the SEFA. We believe the adjustments can be, and have been, explained and are supported by the simple fact that one PCA was chosen instead of another for the same fungible GEER II funds. Nevertheless, we will agree with the audit finding.*

Corrective Action: *The corrective action is to reclass any GEER II Project transactions in FY 2024 to EANS/GEER II Project. That will ensure there are no GEER II transactions in FY 2024 that would need to be adjusted. This was done on March 21, 2024.*

Auditor's Concluding Remarks: We thank the Board for its cooperation and assistance throughout the audit. We continue to assert that the Board submitted the SEFA closing package with errors, and that it was not aware of the errors until the audit team identified them as part of the procedures completed for this audit. If adjustments were made with the intent to ensure an accurate SEFA, they failed. Our statement that "total federal expenditures reported on the Board's SEFA was correct" is related to the material accuracy of the SEFA as a whole. This finding identifies errors made in reporting required by the Office of Management and Budget, as communicated in the Compliance Supplement, where it states that that the SEFA should include the individual subprograms the funds were expended under, including each separate Assistance Listing number with the applicable alpha character. There are many requirements related to the presentation of the SEFA beyond total expenditures that are reviewed for accuracy, such as amounts paid to subrecipients, or COVID-19 and non-cash expenditures. The errors made by the Board were between programs with different applicable alpha characters, and those programs serve different purposes. Accurate reporting that meets all requirements is important to ensure compliance with the terms of the grant.

IDAHO DEPARTMENT OF ENVIRONMENTAL QUALITY (Department)

FINDING 2023-205

The Department understated total federal expenditures on the Schedule of Expenditures of Federal Awards (SEFA) closing package by $24,824,862 and understated amounts passed through to subrecipients by $39,901,202.

Type of Finding: Significant Deficiency, SEFA Misstatement

Assistance Listing Title: Coronavirus State and Local Fiscal Recovery Funds; Clean Water State Revolving Fund; Drinking Water State Revolving Fund; Water Pollution Control State, Interstate, and Tribal Program Support; State Public Water System Supervision; Nonpoint Source Implementation Grants; Pollution Prevention Grants; Deisel Emissions Reduction Act State Grants; Environmental Monitoring/Cleanup, Cultural and Resource Management, Emergency Response Research, Outreach, Technical Analysis
Assistance Listing Number: 21.027; 66.458; 66.468; 66.419; 66.432; 66.460; 66.708; 66.040; 81.214
Federal Award Number: Various
Program Year: Various
Federal Agency: Department of Treasury, Environmental Protection Agency, and Department of Energy
Compliance Requirement: U.S. *Code of Federal Regulations (CFR) 200.510(b)*
Questioned Costs: None

Criteria: The U.S. *Code of Federal Regulations* (CFR) 2 CFR 200.510(b) requires the State to prepare a Schedule of Expenditures of Federal Awards (SEFA) for the fiscal year that must include the total federal awards expended and the total amount provided to subrecipients from each federal program. State agencies are required to report this information to the Office of the State Controller (Office) through the SEFA closing package. The Office provides instructions on the completion of the closing package.

STATE OF IDAHO
FEDERAL FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

The *Uniform Guidance* included in 2 CFR 200.303 requires that a nonfederal entity receiving federal awards establish and maintain internal controls that provide reasonable assurance that the nonfederal entity is managing the federal award in compliance with federal statutes, regulation, and the terms and conditions in the federal award.
The *Internal Control Integrated Framework* published by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) identifies internal control activities that help ensure management directives are carried out and risks are mitigated. These activities include approvals, authorizations, verifications, reconciliations, and segregation of duties.

Condition: The Department completed a SEFA closing package to report various federal grant expenditures. We identified the following errors in the SEFA reporting that resulted in an understatement of $24,824,862 for total federal grant expenditures and an understatement of $39,901,202 in the amount reported as passed through to subrecipients:

Assistance Listing Number	Program Name	SEFA Overstatement/ (Understatement)	Subrecipient Overstatement/ (Understatement)
21.027	Coronavirus State and Local Fiscal Recovery Funds	($10,000,000)	($18,257,000)
66.458	Clean Water State Revolving Fund	(6,602,183)	(12,005,280)
66.468	Drinking Water State Revolving Fund	(7,055,105)	(8,724,247)
66.419	Water Pollution Control State, Interstate, and Tribal Program Support	(583,332)	
66.432	State Public Water System Supervision	(272,248)	
66.460	Nonpoint Source Implementation Grants	(311,994)	
66.708	Pollution Prevention Grants		62,865
66.040	Diesel Emissions Reduction Act State Grants		(540,007)
81.214	Environmental Monitoring/Cleanup, Cultural and Resource Mgmt., Emergency Response Research, Outreach, Technical Analysis		(437,533)
	Total	($24,824,862)	($39,901,202)

Cause: The Department has experienced significant turnover in fiscal personnel completing the closing packages. There were limited written instructions available to the new personnel to compile the correct information from the Department's internal grant management system.

Effect: The Statewide SEFA expenditures were understated by $24,824,862, and the amounts reported as disbursed to subrecipients were understated by $39,901,202.

Recommendation: We recommend that the Department design and implement procedures to ensure the federal expenditures and amounts passed through to subrecipients are reported accurately for all federal programs.

Management's View: *The department agrees with the audit findings that we under reported the total federal expenditures on the SEFA and the amounts passed through to subrecipients.*

Corrective Action:

- *Identify Root Causes:*

With the aid of LSO, we identified errors and are acting on a thorough analysis to pinpoint the root causes *of the reporting errors on the Schedule of Expenditures of Federal Awards (SEFA) identified during the recent audit. As noted by the auditors, the errors were due to significant turnover-related knowledge gaps, staff being tasked with unfamiliar processes, lack of written desk manuals and other documentation, and issues with maintaining the internal reporting tool. This identification was completed by Rob Sepich, Chief Financial Officer, and Jeri Ann Fogg, Accounting Supervisor, in tandem with the audit.*

- *Implement Training and Guidance:*

DEQ will provide comprehensive training sessions for staff involved in preparing and reviewing SEFA reports, considering the high turnover rate experienced in the department. We are in the process of developing detailed guidelines and documentation outlining SEFA reporting requirements, including specific instructions on categorizing federal awards, allowable expenditures, and reporting formats, to address any knowledge gaps resulting from turnover.

As part of the statewide ERP move to LUMA from STARS, staff will utilize new reporting platforms and tools in LUMA to streamline SEFA reporting processes and mitigate potential errors associated with manual data entry or outdated systems. One significant improvement over our legacy reporting will be the use of front-end splits (FES) in LUMA that will automatically split out the state match from the federal component of our expenditures at the time in which they are spent, which was not as clearly defined under STARS. The new accounting system will be clearer to auditors and staff. Rob Sepich, Chief Financial Officer will create reconciliation reports for the SEFA by June 2024, with SEFA reporting compiled and completed in July 2024.

- *Enhance Internal Controls:*

Moving forward we will significantly strengthen internal controls and review processes to detect and prevent reporting errors in the future, particularly considering the turnover challenges. We anticipate requiring multiple additional review checkpoints and validation procedures within the new reporting platforms to verify the accuracy and completeness of SEFA data that will be reconciled before submission. We will also assign clear responsibilities and designate individuals responsible for overseeing SEFA reporting activities, ensuring continuity and consistency despite turnover and reduce the amount of unfamiliar work given to staff. This will include a review by Doug McRoberts, Grants Manager, Heather Hodges, Principal Budget Analyst, Rob Sepich, Chief Financial Officer, and Jeri Ann Fogg, Accounting Manager. Lastly, we are in the process of developing improved documentation on the new LUMA processes for our day-to-day operations so that we have up to date and accurate desk manuals should we experience additional turnover. These desk manuals are expected to be completed in June 2024.

- *Conduct Comprehensive Review:*

As part of the audit, we conducted a comprehensive review of the FY 2023 SEFA reports to identify any additional errors or discrepancies that may have been overlooked, considering the turnover-related knowledge gaps. The department was able to resubmit our SEFA closing package, including the list of sub recipients to the State Controller's Office and LSO Auditors on March 9th, 2024 due to the efforts of Jeri Ann Fogg, Accounting Manager and Rob Sepich, Chief Financial Officer.

- *Continuous Monitoring and Improvement:*

We will establish a process for ongoing monitoring and periodic review of SEFA reporting activities, leveraging the capabilities of the new reporting platforms in LUMA to streamline processes and enhance accuracy. This will bring us closer to the work processes that other agencies do through the statewide reporting systems and reduce our dependency on reporting tools developed in-house that are unfamiliar to other state agencies. This should reduce the risk of losing key institutional knowledge during turnover and will make it easier for an employee with experience from another agency to be able to quickly pick up our reporting needs.

To foster a culture of continuous improvement and knowledge sharing within the department, we will have additional meetings to encourage collaboration and communication to address SEFA reporting and ensure that we are not missing key input from staff.

Auditor's Concluding Remarks: We thank the Department for its cooperation and assistance throughout the audit.

Finding 2023-206

The Department did not fully disclose required information to subrecipients, document subrecipient risk assessments, or ensure subrecipient audits were received for the Coronavirus State and Local Fiscal Recovery Fund.

Type of Finding: Significant Deficiency, Noncompliance

Assistance Listing Title: Coronavirus State and Local Fiscal Recovery Fund
Assistance Listing Number: 21.027
Federal Award Number: SLFRP0142
Program Year: March 3, 2021 - December 31, 2024
Federal Agency: Department of Treasury
Compliance Requirement: Subrecipient Monitoring
Questioned Costs: None

Criteria: The U.S. *Code of Federal Regulations* (CFR) *Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards* (2 CFR 200.303) states that nonfederal entities must establish and maintain effective internal control over the federal award that provides reasonable assurance that the nonfederal entity is managing the federal award in compliance with federal statutes, regulations and the terms and conditions of the federal award.

The requirements for pass-through entities are in 2 CFR 200.332, which states that all pass-through entities must ensure that every subaward is clearly identified to the subrecipient as a subaward and include the following information at the time of the subaward or if information changes. Required information includes:

- Federal Award Identification
    1. Subrecipient's name (which must match the name associated with its unique entity identifier);
    2. Subrecipient's unique entity identifier;
    3. Federal Award Identification Number (FAIN);
    4. Federal award date of award to the recipient by the federal agency
    5. Subaward period of performance start and end date;
    6. Subaward budget period start and end date;
    7. Amount of federal funds obligated by this action by the pass-through entity to the subrecipient;
    8. Total amount of federal funds obligated to the subrecipient by the pass-through entity to the subrecipient;
    9. Total amount of the federal award committed to the subrecipient by the pass-through entity;
    10. Federal award project description, as required to be responsive to the Federal Funding Accountability and Transparency Act (FFATA);
    11. Name of awarding agency, pass-though entity, and contact information for awarding official of the pass-through entity;
    12. Assistance Listings (AL) number and title;
    13. Identification of whether the award is research and development (R&D); and
    14. Indirect cost rate for the federal award
- All requirements imposed by the pass-through entity on the subrecipient so that the federal award is used in accordance with federal statutes, regulations, and the terms and conditions of the federal award.
- Any additional requirements that the pass-through entity imposes on the subrecipient in order for the pass-through entity to meet its own responsibility to the federal awarding agency, included identification of any required financial and performance reports.

Pass-through entities must also:

- Evaluate each subrecipient's risk of noncompliance with federal statutes, regulations, and the terms and conditions of the subaward for the purpose of determining the appropriate subrecipient monitoring.
- Consider imposing specific subaward conditions upon a subrecipient, if appropriate.
- 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 subawards, and that subaward performance goals are achieved.
- Verify that every subrecipient is audited as required by 2 CFR 200, Subpart F, and follow up on the results of those audits.

Condition: The Department received funds for the Coronavirus State and Local Fiscal Recovery Fund (SLFRF, AL number 21.027) from the U.S. Department of Treasury through the Idaho Division of Financial Management. The Department passed through $18,941,327 from the SLFRF to 74 subrecipients.

We selected a sample of 8 subrecipients to test compliance with these requirements. We found the Department complied with some, but not all, of the pass-through entity requirements.

The Department did not provide the following required information in all 8 of the items tested:

- Federal Award Identification Number (FAIN)
- Federal award date of award to the recipient by the federal agency
- Subaward period of performance start and end dates
- Total amount of federal award committed to the subrecipient
- Identification of whether the award is for (R&D)
- Indirect cost rate for the federal award

The Department did not provide the AL number to 3 of the 8 subrecipients tested and provided an incorrect AL number to 4 of the 8 subrecipients tested.

The Department implemented the grant in the Waste Management and Remediation Division and the Grants and Loans Bureau. Single Audit reports are required to be submitted to pass-through entities no later than 9 months after the subrecipient's fiscal year end or within 60 days of the issuance of the report. The Department passed funds through to subrecipients beginning in fiscal year 2023; therefore, no subrecipient Single Audit reports would be due during our audit period. However, we reviewed procedures the Department implemented to ensure that these audits would be collected when due.

We found that the Grants and Loans Bureau had procedures in place that would be effective in collecting and evaluating the subrecipient reports; however, the Waste Management and Remediation Division did not have effective procedures to collect the reports.

Cause: The Department used a basic template in creating an award letter and grant agreement. The template did not include all the required information. The FAIN was not communicated to the Department by the Division of Financial Management. The Department was also unaware that the FAIN and AL number were different. The period of performance was not included because the Department provided the budget period for the project and was concerned that subrecipients would be confused about the spending period for their grants.

The Department did not identify whether the grant was for R&D because they felt it was sufficiently communicated that the funds were for planning, construction, or waste management projects and not for R&D.

The indirect rate was not included because the Department communicated that the funds were for construction costs only, which does not include indirect costs.

The Department did not have a formal documented risk assessment because they believed that this was sufficiently done during the application process and during the actual grant award period. However, these procedures are informal, and no documentation is retained that specifically identifies risks of noncompliance with federal grant rules for the purpose of determining monitoring procedures.

The Waste Management and Remediation Division did not have procedures to collect subrecipient Single Audit reports because they believed that the fiscal operations division would perform that function. Our discussions with the fiscal operations found that there was a position with the assigned duties to collect subrecipient Single Audits, but that position was vacant during fiscal year 2023, and the Department had difficulty filling the position.

Effect: Subrecipient monitoring is a critical requirement as part of accepting federal funds and ensuring that those funds are spent in compliance with allowable costs and other guidelines provided by the grantor. Subrecipients need the required grant information to properly implement, manage, and report the federal award. Without this information, subrecipients have an increased risk of noncompliance with the federal award requirements.

Assessing the risk of subrecipient noncompliance enables a pass-through entity to determine the proper level of monitoring procedures. Without completing the risk assessment process, a pass-thought entity may increase the risk that appropriate monitoring procedures will not be performed at a sufficient level to detect noncompliance or that a subrecipient will not comply with the grant terms.

There were no subrecipient Single Audit reports due during our audit period; however, a well-designed procedure for collecting these reports is an important pass-through entity responsibility. Subrecipient audit reports may identify internal control issues and noncompliance with federal award requirements. Reviewing these reports and ensuring that potential issues are addressed decreases the overall risk of noncompliance with the federal award requirements.

Recommendation: We recommend that the Department design and implement appropriate procedures to ensure that all required information is communicated to subrecipients at the time of the award, subrecipient risk assessments are properly completed and documented, and subrecipient audits are completed and reviewed in accordance with federal grant regulations.

Management's View: *The department agrees with the lack of certain required subrecipient information datapoints for the CSLFRF projects.*

Corrective Action: *The department had an imperfect implementation of the initial subawards for CSLFRF documentation for subrecipients. Our general practice includes providing the identified federal award identification datapoints; however, this was not the case with the initial CSLFRF subrecipients. As an example, the period of performance was truncated to ensure that we were able to meet the aggressive timeline outlined in the American Rescue Plan Act; we will include both the true period of performance as set forth in the grant and the budgetary period in which the subrecipient will need to complete their work. Carrie Champlin, Contracts Manager, and Rob Sepich, Chief Financial Officer will implement these changes by April 15, 2024.*

The department had processes for evaluating the risk of subrecipients, however it could be improved and made clearer for auditors and we will implement a process used by other agencies to memorialize the risk factors outside of email in a clear and concise manner. Additionally, the department is currently implementing a new software system, Amplifund, to aid in registering subrecipients, monitoring them, and closing out subawards. This system will include all of the relevant information necessary for both the subrecipient and the department in one location and will provide consistency across the department. Amplifund implementation is currently underway and will be used department- wide by August 2024. Doug McRoberts, Grants Manager, Jeri Ann

Fogg, Accounting Manager, Carrie Champlin, Contracts Manager are working on the integration of Amplifund.

Auditor's Concluding Remarks: We thank the Department for its cooperation and assistance throughout the audit.

IDAHO DIVISION OF FINANCIAL MANAGEMENT (Division)

FINDING 2023-207
The Division overstated federal expenditures by incorrectly including $6.6 million expended under the State Small Business Credit Initiative (SSBCI) on the Schedule of Expenditures of Federal Awards (SEFA) closing package.

Type of Finding: Significant Deficiency, SEFA Misstatement

Assistance Listing Title: State Small Business Credit Initiative
Assistance Listing Number: 21.031
Federal Award Number: Not Applicable
Program Year: Not Applicable
Federal Agency: Department of Treasury
Compliance Requirement: U.S. *Code of Federal Regulations* (CFR) 2 CFR 200.510(b)
Questioned Costs: None

Criteria: The U.S. *Code of Federal Regulations* (CFR) *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 2 CFR 200.510, requires the State to prepare a SEFA, which must include the total federal awards expended for each individual federal award program. The Office of the State Controller requires agencies to complete the SEFA closing package and uses this information to compile the statewide SEFA.

The SSBCI statute, 12 U.S.C. § 5702(c)(5), specifically states that capital funds transferred to jurisdictions are not considered federal financial assistance for the purposes of 31 U.S.C. subtitle V. As such, capital funds are not subject to the single audit requirements of the Single Audit Act or 2 CFR 200, Subpart F.

Condition: The Division reported $6.6 million in federal expenditures incurred under the SSBCI program on the SEFA closing package. These SSBCI funds includes two programs: the Capital Program and the Technical Assistance (TA) Grant Program. Under the Capital Program, participating jurisdictions implement credit and equity/venture capital programs to provide capital to small businesses. The Division received funding under the Capital Program, these funds are not subject to the Single Audit requirements of 2 CFR Subpart F.

Cause: The Division was unaware that the Capital Program funds should not have been included on the SEFA.

Effect: In the absence of the audit work completed and the resulting revised submission by the Division, the statewide SEFA would have included an overstatement of $6.6 million for the SSBCI program.

Recommendation: We recommend that the Division improve training and the review process for the SEFA closing package to ensure appropriate reporting of federal expenditures on the SEFA.

Management's View: *The Division of Financial Management concurs with the finding.*

Corrective Action: *The agency will implement improved training and review for the SEFA closing package prior to submission to ensure appropriate reporting of federal expenditures on the SEFA. The SSBCI funds* *were included in an abundance of caution to ensure reporting of all federal funds received, as it is rare that federal monies are to be excluded from the SEFA. Moving forward, preparation of the SEFA will include an analysis of all new federal awards to be included to confirm if the amounts are to be included, and a side-by-side comparison of the prospective list to the prior year report to note any differences and investigation of any that exist.*

Auditor's Concluding Remarks: We thank the Division for its cooperation and assistance throughout the audit.

IDAHO DEPARTMENT OF HEALTH AND WELFARE (Department)

FINDING 2023-208

The Schedule of Expenditures of Federal Awards (SEFA) closing package originally submitted to the Office of the State Controller (Office) included multiple errors.

Related to Prior Finding: 2022-211; 2021-206

Type of Finding: Significant Deficiency, SEFA Misstatement

Assistance Listing Title: Supplemental Nutrition Assistance Program; Coronavirus State and Local Fiscal Recovery Funds; Guardianship Assistance; Temporary Assistance for Needy Families; Child Support Enforcement; Child Care and Development Block Grant; Foster Care Title IV-E; Adoption Assistance; Child Care and Development Block Grant (CCDF); Social Services Block Grant; Children's Health Insurance Program; Medical Assistance Program; Money Follows the Person Rebalancing Demonstration; Block Grants for Community Mental Health Services
Assistance Listing Number: 10.561; 21.027; 93.090; 93.558; 93.563; 93.575; 93.658; 93.659; 93.667; 93.767; 93.778; 93.791; 93.958
Federal Award Number: Various
Program Year: Various
Federal Agency: Department of Agriculture, Department of Treasury, and Health and Human Services
Compliance Requirement: U.S. *Code of Federal Regulations*
Questioned Costs: None

Criteria: The *Internal Control Integrated Framework* published by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) provides a basis for organizations to design internal control procedures to ensure reliable financial reporting, effective and efficient operations, and compliance with applicable laws and regulations. Components of this framework include risk assessment, control activities, and information and communication. Risk assessment is the identification and analysis of various risks entities face because of changing economic, industry, regulatory, and operating conditions, and provides a basis to develop appropriate responses to manage those risks. Control activities are policies and procedures that help ensure management directives are carried out and risks are mitigated. Verifications, approvals, reconciliations, authorizations, and segregation of duties are all control activities that support this objective. Information and communication relate to obtaining quality information and effective internal and external communication of that information to achieve management objectives.

Management objectives should include the preparation and fair presentation of the SEFA in relation to the basic financial statements as a whole and in compliance with requirements contained in the U.S. *Code of Federal Regulations* (CFR), Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) (2 CFR §200.510(b)), which states it must include:

- Total federal awards expended as determined in accordance with 2 CFR §200.502, and
- Total amount provided to subrecipients from each federal program in accordance with 2 CFR 200.510(b)(4)

The requirements included in 2 CFR 200.303 require that a nonfederal entity receiving federal awards establish and maintain internal controls that provide reasonable assurance that the nonfederal entity is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions in the federal award.

The Office requires agencies to complete the SEFA closing package and uses this information to compile the statewide SEFA.

Condition: The Department submitted multiple revisions of the fiscal year 2023 SEFA closing package to correct errors identified by the auditors and communicated to management during the audit process. The original submission included misstatements for the following programs:

- Overstatement of $144,460 for the Supplemental Nutrition Assistance Program (Assistance Listing (AL) number 10.561)
- Overstatement of $933 for the Guardianship Assistance program (AL 93.090)
- Understatement of $1,300,232 for the Temporary Assistance for Needy Families program (AL 93.558)
- Understatement of $230,034 for the Child Support Enforcement program (AL 93.563)
- Understatement of $42,349 for the Foster Care Title IV-E program (AL 93.658)
- Overstatement of $16,112 for the Adoption Assistance program (AL 93.659)
- Overstatement of $1,036,549 for the Social Services Block Grant program (AL 93.667)
- Overstatement of $3,469,677 for the Children's Health Insurance Program (AL 93.767)
- Understatement of $25,108,923 for the Medical Assistance program (AL 93.778)
- Understatement of $48,071 for the Money Follows the Person Rebalancing Demonstration program (AL 93.791)
- Understatement of $676,806 for the Block Grants for Community Mental Health Services program (AL 93.958)
- Understatement of $21,358,086 for the Coronavirus State and Local Fiscal Recovery Funds program (AL 21.027)

In addition, expenditures to subrecipients were misstated for the following programs:

- Overstatement of $86,608,290 for the Child Care and Development Block Grant program (AL 93.575)
- Understatement of $18,959,072 for the Coronavirus State and Local Fiscal Recovery Funds program (AL 21.027)

Cause: The Department has a review process in place for closing packages that is intended to detect and correct errors. However, the review of the fiscal year 2023 SEFA closing package was not completed at a level of detail sufficient to properly identify and correct errors. This issue was also reported as finding 2022-211 in the Single Audit Report for fiscal year 2022.

Other factors impacting the Department's accurate completion of the fiscal year 2023 SEFA, such as working with the implementation of a new statewide accounting system, Luma, that resulted in issues reconciling grant reports and SEFA reports. The Department also used SEFA reports that had been run before the budget team had completed all necessary grant uploads, which resulted in excluded information from the SEFA.

The reports used to prepare the SEFA closing package were pre-built to pull the data from only the cooperative welfare fund (0220). Historically, this approach was successful because all the Department's federal funds were coded to the cooperative welfare fund. The Department did not consider the spending for the Coronavirus State and Local Fiscal Recovery Funds (AL 21.027) through the American Rescue Plan Act fund (0344) when preparing the SEFA closing package. This resulted in those expenditures being omitted from the original SEFA submitted. The spending for the Coronavirus State and Local Fiscal Recovery Funds (AL 21.027) was originally understated on the SEFA by $21,358,086. The SEFA was adjusted after inquiry during the audit process to include the American Rescue Plan Act fund (0344). The original amount reported was $2,856,346. The final amount reported was $24,214,432.

In addition, $86,608,290 originally reported as expenditures to subrecipients for the Child Care and Development Block Grant program (AL 93.575) were payments to providers rather than subrecipients. The coding in the accounting system by the Department's program staff lead to the erroneous inclusion of the funds in the subrecipient reporting on the SEFA.

Effect: In the absence of the audit work completed and the resulting revised submission by the Department to the Office, the statewide SEFA would have included multiple misstatements.

Recommendation: We recommend that the Department improve the process for gathering information to prepare the SEFA closing package, and to review it for accuracy, to include training and specific procedures at a level of detail sufficient to detect and correct errors in the SEFA closing package.

Management's View: *The Department agrees with the finding.*

Corrective Action: *Since the implementation of LUMA, the department has been cognizant of the systematic challenges and risks and is acutely attentive to monitoring and review efforts. For example, due to LUMA, finance now has a new chart of accounts structure, meaning previously used reports for compilation of the SEFA are no longer a concern. The department held a required training on March 12-13, 2024, for all employees involved with grant administration where the determination of contractor vs. subrecipient, as well as proper account coding, were reiterated. Finance has efforts underway to strengthen compliance through report building and monthly monitoring of proper coding. The department will be moving forward with the implementation of Grant Management Software in SFY25, which finance believes will provide further assurances of data accuracy. Finance will confirm all expenditures and adjustments are completed before running reports when preparing the SFY24 and future SEFA's. This confirmation will be documented via an email to the Financial Manager of the Budget section. The email response will be retained with the SEFA preparation file for audit purposes.*

Auditor's Concluding Remarks: We thank the Department for its cooperation and assistance throughout the audit.

FINDING 2023-209
<u>Monthly cost allocation statistics, used to allocate indirect costs to federal grants, were not reviewed and approved by the Department.</u>

Type of Finding: Significant Deficiency

Assistance Listing Title: Supplemental Nutrition Assistance Program; State Administrative Matching Grants for the Supplemental Nutrition Assistance Program; Coronavirus State And Local Fiscal Recovery Funds; Activities to Support State, Tribal, Local and Territorial (STLT) Health Department Response to Public Health or Healthcare Crises; Temporary Assistance for Needy Families; Low-Income Home Energy Assistance; Child Care and Development Block Grant; Child Care Mandatory and Matching Funds of the Child Care and Development Fund; Foster Care Title IV-E; Adoption Assistance; State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare; Medical Assistance Program
Assistance Listing Number: 10.551; 10.561; 21.027; 93.391; 93.558; 93.568; 93.575; 93.596; 93.658; 93.659; 93.777; 93.778
Federal Award Number: 22ID35051692301; 23ID35051692301; 227IDID4S2514; 227IDID5Q3903; 227IDID7F1003; 227IDID4S2519; 227IDID4S2520; 227IDID4Q7503; 237IDID4S2514; 237IDID5Q3903; 237IDID7F1003; 237IDID4S2520; 237IDID4Q7503; 237IDID4S2519; 20-1982-0-1-806; 1 NH75OT000105-01-00; 6 NH75OT000105-01-00; 2201IDTANF; 2301IDTANF; G-2001IDLIEA; 2001IDE5C3; 2101IDLWC6; 2201IDLIEA; 2201IDLIE4; 2301IDLIEA; 2301IDLIEE; 2301IDLIEI; G1801IDCCDF; G1901IDCCDF; G2001IDCCC3; G2201IDCCDD; G2301IDCCDD; 2201IDFOST; 2301IDFOST;

2201IDADPT; 2301IDADPT; 2205ID5000; 2205ID50C3; 2305ID5000; 2305ID50C3; 2305ID5CAA; 2505ID5MAP; 2205ID5ADM; 2205IDIMPL; 2305ID5MAP; 2305ID5ADM
Program Year: October 1, 2021 – September 30, 2022; October 1, 2022 – September 30, 2023; October 1, 2022 – September 30, 2024; March 3, 2021 – December 31, 2024; June 1, 2021 – May 31, 2024; May 28, 2021 – March 31, 2024; March 27, 2020 – September 30, 2023; October 1, 2022 – September 30, 2025
Federal Agency: Department of Agriculture; Department of Health and Human Services; Department of the Treasury
Compliance Requirement: Allowable Costs/Costs Principles
Questioned Costs: None

Criteria: The U.S. *Code of Federal Regulations* (CFR), *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) included in 2 CFR 200.303 requires that a nonfederal entity receiving federal awards establish and maintain internal controls that provide reasonable assurance that the nonfederal entity is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions in the federal award.

The *Internal Control Integrated Framework* published by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) identifies control activities that help ensure management directives are carried out and risks are mitigated. These activities include items such as approvals, authorizations, verifications, reconciliations, and segregation of duties.

The *Uniform Guidance* included in 2 CFR 200.416 states that for states, local governments and Indian tribes, certain services, such as motor pools, computer centers, purchasing, accounting, etc., are provided to operating agencies on a centralized basis. Since federal awards are performed within the individual operating agencies, there needs to be a process whereby these central service costs can be identified and assigned to benefitted activities on a reasonable and consistent basis. The central service cost allocation plan provides that process.

Condition: The Department maintains a contract with an independent consulting firm that is responsible for updating the cost allocation plan each quarter and intermittently, as needed. The consulting firm is responsible for updating the statistics for each basis of allocation, done at varying intervals, with most of them being updated monthly. Statistical data is obtained from supervisory staff within relevant programs and from various computerized systems. Each statistic should be reviewed by an appropriate supervisor prior to being submitted to the consulting firm. We tested the cost allocation process for four out of the twelve months for fiscal year 2023. The applicable cost allocation statistics were not reviewed and approved by the Department's Division of Welfare (division) supervisors for two of the four months tested.

The Division of Welfare is aware of the issue and has retroactively reviewed and approved the statistical data.

Cause: The Department explained that the cost allocating statistics were not reviewed and approved by the division supervisors due to staff turnover.

Effect: If applicable cost allocation statistics are not reviewed consistently as required, there is an increased risk that the statistics could be inaccurate. Further, the calculated costs based on those statistics and incurred for specific grants could be inaccurate.

Recommendation: We recommend that the Department strengthen controls over the review and approval of the cost allocation statistical data to ensure accurate data is used during the cost allocation process.

Management's View: *The Department agrees with the finding.*

During two of the four months, one of the thirteen supervisors did not review the two statistics that are supervisory responsibility to review and approve.

Corrective Action: *With the implementation of Luma and the interfaced cost allocation module, finance has spent a significant amount of time assessing the best practices for cost allocation processing steps. Since going live on 7/1/23, each month, finance has reviewed, revised, and refined process steps. The department's budget analysts who hold oversight of some cost allocation processes, use a spreadsheet to track processing. Finance has added a step in the process to ensure that finance reviews the cost allocation SharePoint site for review and signature of each supervisor responsible for each statistic.*

Auditor's Concluding Remarks: We thank the Department for its cooperation and assistance throughout the audit.

FINDING 2023-210
Low-Income Home Energy Assistance Program (LIHEAP) performance and special reports did not include a review for accuracy and compliance prior to submission.

Type of Finding: Material Weakness, Noncompliance

Assistance Listing Title: Low-Income Home Energy Assistance
Assistance Listing Number: 93.568
Federal Award Number: 2101IDLWC6; 2201IDLIEA; 2301IDLIEA; 2301IDLIEE; 2301IDLIEI
Program Year: May 28, 2021 – March 31, 2024; October 1, 2021 – September 30, 2023; October 1, 2022 – September 30, 2024
Federal Agency: Department of Health and Human Services
Compliance Requirement: Reporting
Questioned Costs: None

Criteria: The U.S. *Code of Federal Regulations* (CFR), *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) included in 2 CFR 200.303 requires that a nonfederal entity receiving federal awards establish and maintain internal controls that provide reasonable assurance that the nonfederal entity is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions in the federal award.

The *Internal Control Integrated Framework* published by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) identifies control activities that help ensure management directives are carried out and risks are mitigated. These activities include items such as approvals, authorizations, verifications, reconciliations, and segregation of duties.

Condition: During fiscal year 2023, the LIHEAP program was required to submit one program performance report and six program special reports to the federal government. The Department's LIHEAP program manager compiles the program performance report and program special reports. The reports are submitted by the same program manager to the Office of Community Services. The reviews and the approvals for all seven reports tested were not documented. There was no documented review for accuracy nor approval of the reports. In addition, three of the annual special reports were not submitted timely.

Cause: The Department staff indicated that there is no official approval process as reports are submitted online and the data source is either collaborated or provided by internal sources and verified. The Department did not consider that documentation to support the review and the approval of these reports was necessary to ensure accuracy and compliance with reporting requirements.

Effect: Three of the annual LIHEAP special reports were not submitted timely. We did not identify any other errors in the performance or special reports. However, in the absence of a documented appropriate internal control, there is an increased risk of errors occurring and going undetected. Further, the Department could submit the performance and special reports with incomplete or inaccurate information required by the grant agreement.

Recommendation: We recommend that the Department design and implement internal controls to ensure sufficient documentation is maintained to support the completion of a review for accuracy and compliance for required LIHEAP reports, prior to submission.

Management's View: *The Department agrees with the finding.*

Corrective Action: *The Program will develop a process to work with the Information Management and Analysis Team (IMAT) within the division to compile the data for the Low-Income Home Energy Assistance Program (LIHEAP) reports. Program will review the completed reports for accuracy. All reports will then be submitted to the Bureau Chief, as a second review of accuracy, prior to submission to Federal Partners. Documentation will be maintained to support the preparation, review, and approval steps. The process outlines a timeline to have reports prepared and reviewed ahead of the established deadline. Program will communicate with our Federal Partner if circumstances arise that would prevent a report from being submitted by an established deadline to receive an extension.*

Auditor's Concluding Remarks: We thank the Department for its cooperation and assistance throughout the audit.

FINDING 2023-211
The review and approval of the annual updates to the Low-Income Home Energy Assistance Program (LIHEAP) benefits matrix were not documented.

Type of Finding: Significant Deficiency

Assistance Listing Title: Low-Income Home Energy Assistance
Assistance Listing Number: 93.568
Federal Award Number: 2101IDLWC6; 2201IDLIEA; 2301IDLIEA; 2301IDLIEE; 2301IDLIEI
Program Year: May 28, 2021 – March 31, 2024; October 1, 2021 – September 30, 2023; October 1, 2022 – September 30, 2024
Federal Agency: Department of Health and Human Services
Compliance Requirement: Eligibility
Questioned Costs: None

Criteria: The U.S. *Code of Federal Regulations* (CFR), *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) included in 2 CFR 200.303 requires that a nonfederal entity receiving federal awards establish and maintain internal controls that provide reasonable assurance that the nonfederal entity is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions in the federal award.

The *Internal Control Integrated Framework* published by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) identifies control activities that help ensure management directives are carried out and risks are mitigated. These activities include items such as approvals, authorizations, verifications, reconciliations, and segregation of duties.

Condition: The LIHEAP utilizes a software to determine eligibility and benefit amounts for applicants based on energy burden and qualifying factors. There is a benefits matrix within the software, which is updated annually.

Each year, the Department's LIHEAP program staff update the benefits matrix with any required changes. The review and approval of the changes were completed by program staff, who met in-person and completed testing scenarios to verify the accuracy of the information. After the test results were reviewed and no errors identified, the matrix information was uploaded into software production prior to the start of the heating season. The review and approval of the changes to the benefits matrix were not documented. Verbal confirmation was provided to the program manager.

Cause: The Department did not consider that documentation to support the review and approval of the updates to the benefits matrix was necessary.

Effect: We did not identify errors in the 60 approved and 60 denied eligibility determinations that we reviewed. However, without review (documented) there is an increased risk of errors in the matrix either because of erroneous changes or no changes occurring and then going undetected in eligibility determinations.

Recommendation: We recommend that the Department design and implement procedures to ensure sufficient documentation is maintained that supports the review and approval of the updates to the benefits matrix.

Management's View: *The Department agrees with the finding.*

Corrective Action: *Testing of the updated benefits matrix will be completed by the Program annually, and the results will be documented using an established scenario testing script. Results of the testing will be documented and submitted to the Bureau Chief, as a second review of accuracy and compliance, prior to moving the updated matrix into the production environment. Documentation will be maintained to support the review and approval.*

Auditor's Concluding Remarks: We thank the Department for its cooperation and assistance throughout the audit.

FINDING 2023-212
The review of the Low-Income Home Energy Assistance Program (LIHEAP) earmarking compliance requirements was not documented.

Type of Finding: Material Weakness

Assistance Listing Title: Low-Income Home Energy Assistance
Assistance Listing Number: 93.568
Federal Award Number: 2101IDLWC6; 2201IDLIEA; 2301IDLIEA; 2301IDLIEE; 2301IDLIEI
Program Year: May 28, 2021 – March 31, 2024; October 1, 2021 – September 30, 2023; October 1, 2022 – September 30, 2024
Federal Agency: Department of Health and Human Services
Compliance Requirement: Matching; LOE; Earmarking
Questioned Costs: None

Criteria: The U.S. *Code of Federal Regulations* (CFR), *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) included in 2 CFR 200.303 requires that a nonfederal entity receiving federal awards establish and maintain internal controls that provide reasonable assurance that the nonfederal entity is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions in the federal award.

The *Internal Control Integrated Framework* published by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) identifies control activities that help ensure management directives are carried out and risks are mitigated. These activities include items such as approvals, authorizations, verifications, reconciliations, and segregation of duties.

Condition: The LIHEAP requires earmarking which limits the percentage of grant funds that can be spent on administration, weatherization, and leveraging programs. The monitoring of LIHEAP earmarking requirements was completed by the program manager on a spreadsheet that tracked expenditures and appropriate limitations to ensure compliance was met. However, there was no documented review for accuracy nor approval of the tracking spreadsheet.

Cause: The Department did not consider that documentation to support the review and approval of the earmarking tracking spreadsheet was necessary to ensure accuracy and compliance.

Effect: We did not identify any errors in compliance with earmarking requirements during completion of audit procedures, but the lack of a documented review increases the risk of errors occurring and going undetected.

Recommendation: We recommend that the Department design and implement procedures to ensure sufficient documentation is maintained that supports the review and approval of the earmarking tracking spreadsheet.

Management's View: *The Department agrees with the finding.*

Corrective Action: *The Program will document the current process regarding the preparation, review, and approval of the Low-Income Home Energy Assistance Program (LIHEAP) budget that includes maintaining the documentation of the earmarking reviews that are being completed. The program will prepare the Low-Income Home Energy Assistance Program (LIHEAP) budget. This budget will be submitted to the Bureau Chief, as a second review of accuracy and compliance, to include review of earmarking limits, prior to routing the Annual State Plan for review and submittal or the allocation of any funding. Documentation will be maintained to support the review and approval.*

Auditor's Concluding Remarks: We thank the Department for its cooperation and assistance throughout the audit.

FINDING 2023-213
The Department erroneously determined that two recipients of Temporary Assistance for Needy Families (TANF) funding were contractors instead of subrecipients resulting in noncompliance with the subrecipient monitoring requirements.

Type of Finding: Material Weakness, Material Noncompliance

Assistance Listing Title: Temporary Assistance for Needy Families
Assistance Listing Number: 93.558
Federal Award Number: 2201IDTANF; 2301IDTANF
Program Year: October 1, 2021 – September 30, 2022; October 1, 2022 – September 30, 2023
Federal Agency: Department of Health and Human Services
Compliance Requirement: Subrecipient Monitoring
Questioned Costs: None

Criteria: The U.S. *Code of Federal Regulations* (CFR), *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) included in 2 CFR 200.303 requires that a nonfederal entity receiving federal awards establish and maintain internal controls that provide

reasonable assurance that the nonfederal entity is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions in the federal award.
The *Internal Control Integrated Framework* published by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) identifies control activities that help ensure management directives are carried out and risks are mitigated. These activities include items such as approvals, authorizations, verifications, reconciliations, and segregation of duties.

The Uniform Guidance included in 2 CFR 200.331 describes the Department's, a pass-through entity, responsibility for completing subrecipient and contractor determinations.

The Uniform Guidance included in 2 CFR 200.332 (a) states that pass-through entities must ensure that every subaward is clearly identified to the subrecipient as a subaward and includes the following information at the time of the subaward. Also, if any of these data elements change, include the changes in subsequent subaward modification.

(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 2 CFR 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;
- (xiii) Identification of whether the award is R&D; and
- (xiv) Indirect cost rate for the federal award, including if the de minimis rate is charged per 2 CFR 200.414.

If any of the required information is not available, the pass-through entity must provide the best information available to describe the federal award and subaward.

The *Uniform Guidance* included 2 CFR 200.332(b) states that pass-through entities must 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 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; and
(4) The extent and results of federal awarding agency monitoring (for example, if the subrecipient also receives federal awards directly from a federal awarding agency).

Condition: The Department erroneously determined that two recipients of TANF funding were contractors instead of subrecipients. A contractor provides services or goods while a subrecipient has additional responsibilities related to the grant administration. Because of that, there are additional requirements when passing through funds to a subrecipient, rather than making a payment to a vendor. We tested one of the two subrecipients for compliance purposes. The award was not identified to the subrecipient as a subaward and did not include all the necessary information at the time of the subaward. In addition, the subrecipient's risk of noncompliance was not evaluated.

Cause: During our analysis of the subrecipient monitoring compliance requirement, we learned that the Department's program staff determined that some of the recipients of TANF funding were contractors. However, the Department's financial staff reported the expenditures as payments to subrecipients on the SEFA. After investigation, we found that the expenditures were made to subrecipients, not contractors.

Effect: The Department is exposed to increased risk of noncompliance related to subrecipients and improper payments in the TANF program. The Department provided a total amount of $1.4 million to subrecipients during fiscal year 2023.

Recommendation: We recommend that the Department implement proper training of personnel involved in subrecipient and contractor determinations. In addition, we recommend that the Department design and implement effective internal control procedures to ensure all required information is provided to subrecipients at the time of subawards and that the Department complete the required evaluations of each subrecipient's risk of noncompliance with federal statutes, regulations, and the terms and conditions of the subaward.

Management's View: *The Department agrees with the finding.*

Corrective Action: *The Department has revised our training of personnel involved in subrecipient and contractor determinations. These contract managers and monitors completed grant training on March 12th-13th, 2024 which included sections about subrecipient and contractor determinations, risk assessment and documentation. All newly hired employees will be trained beginning April 2024 with an on-line module.*

For the impacted vendor, an updated Risk Assessment was completed and submitted to LSO. Additionally, the Department has started the work to effectively change the designation of the vendor and ensure all required information is provided to this subrecipient. This process will be completed by April 30th, 2024. The Department will develop internal control procedures to ensure all required information is provided to the subrecipients at the time of the subawards. These updated internal control procedures will be completed by June 30th, 2024.

Auditor's Concluding Remarks: We thank the Department for its cooperation and assistance throughout the audit.

FINDING 2023-214

The Department did not maintain sufficient documentation to support eligibility award decisions for the Community Partners Grants within the Child Care and Development Fund (CCDF) program.

Type of Finding: Material Weakness

Assistance Listing Title: Child Care and Development Block Grant; Child Care Mandatory and Matching Funds of the Child Care and Development Fund

Assistance Listing Number: 93.575; 93.596
Federal Award Number: 2001IDCCC3; 2301IDCCDD; 2101IDCDC6 (ARPA); 2001IDCCDF; 2301IDCCDF
Program Year: March 27, 2020 – September 30, 2023; October 1, 2022 – September 30, 2025; October 1, 2020 – September 30, 2024; October 1, 2019 – September 30, 2022; October 1, 2022 – September 30, 2025
Federal Agency: Department of Health and Human Services
Compliance Requirement: Eligibility; Special Tests and Provisions
Questioned Costs: None

Criteria: The U.S. *Code of Federal Regulations* (CFR), *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) included in 2 CFR 200.303 requires that a nonfederal entity receiving federal awards establish and maintain internal controls that provide reasonable assurance that the nonfederal entity is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions in the federal award.

The *Internal Control Integrated Framework* published by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) identifies control activities that help ensure management directives are carried out and risks are mitigated. These activities include items such as approvals, authorizations, verifications, reconciliations, and segregation of duties.

Condition: The Child Care and Development Fund (CCDF) program received additional funding through the Coronavirus Aid, Relief, and Economic Security (CARES) Act and American Rescue Plan Act (ARPA). During testing for eligibility within the CCDF program, we reviewed ARPA provider applications to determine if they were properly reviewed and approved by appropriate personnel. For four of the sixty providers tested (or 6.67 percent), there was no documentation to show who completed the eligibility evaluation or when the evaluation was completed. All four providers were Community Partners Grant recipients.

Cause: The Department did not design and properly document a review process that would identify who participated, what was evaluated, what each applicant scored on the evaluation criteria, and the final decision made for the Community Partners Grant recipients. The Department stated that review and approval of the grants was a group effort and agreed that the process was not properly documented. Additionally, there was an indication of high turnover during grant processing, which could have contributed to missing documentation.

Effect: The Department did not maintain adequate support for the Community Partners Grant application approvals, which could have resulted in grant funds being awarded to ineligible recipients.

Recommendation: We recommend that the Department ensure that internal controls are consistently performed to ensure adequate evaluations of grant applications are properly documented.

Management's View: *The Department agrees with the finding.*

It should be noted that the Community Partner Grants have ended.

Corrective Action: *The division will:*

- *All employees who administer grants will be required to complete training related to awarding grants, to include components on appropriate internal controls, identifying required grant elements, detailing the grant process, and outlining record retention requirements. All current employees have been trained as of March 2024.*
- *The Division will work closely with the Division of Management Services to support the development and implementation of updated record retention policies and processes which will result in relevant documents being centrally retained. Estimated completion date December 31, 2024. Between now and*

when that central repository is available, individual rubrics and their supporting documents related to grant awards will be retained.

- *All employees will complete an annual employee conflict-of-interest disclosure and recertification process. Current completion of the new employee conflict of interest from will be completed by April 2024.*

Auditor's Concluding Remarks: We thank the Department for its cooperation and assistance throughout the audit.

FINDING 2023-215

The Department's review of child care providers health and safety inspections for the Child Care and Development Fund (CCDF) were not completed timely.

Type of Finding: Material Weakness, Material Noncompliance

Assistance Listing Title: Child Care and Development Block Grant; Child Care Mandatory and Matching Funds of the Child Care and Development Fund
Assistance Listing Number: 93.575; 93.596
Federal Award Number: 2001IDCCC3; 2301IDCCDD; 2001IDCCDF; 2301IDCCDF
Program Year: March 27, 2020 – September 30, 2023; October 1, 2022 – September 30, 2025; October 1, 2019 – September 30, 2022; October 1, 2022 – September 30, 2025
Federal Agency: Department of Health and Human Services
Compliance Requirement: Special Tests and Provisions
Questioned Costs: None

Criteria: The U.S. *Code of Federal Regulations* (CFR), *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) included in 2 CFR 200.303 requires that a nonfederal entity receiving federal awards establish and maintain internal controls that provide reasonable assurance that the nonfederal entity is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions in the federal award.

The *Internal Control Integrated Framework* published by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) identifies control activities that help ensure management directives are carried out and risks are mitigated. These activities include items such as approvals, authorizations, verifications, reconciliations, and segregation of duties.

The Uniform Grant Guidance included in 42 USC 98859c(c)(2)(i) - (I) Health and Safety requirements states that the plan shall include a certification that there are in effect within the State, under State or local law, requirements designed to protect the health and safety of children that are applicable to child care providers that provide services for which assistance is made available in accordance with this subchapter.

The Department has contracted with the Idaho Central District Health (ICDH) to complete required health and safety inspections. The Department's policy is to monitor the contracted inspections. The Department's Contracts and External Resource Management (CERM) team is tasked with conducting reviews of the monitoring completed by ICDH. The CERM team review includes randomly sampling the health and safety inspections based on a calculation per Department operating procedures. Contract monitoring done by the CERM team includes verifying compliance with contract requirements, such as reviewing expenditures, approving invoices for payment based on compliance to the contract terms, reviewing, performance standards, and ensuring compliance with record keeping provisions.

Condition: During our audit, we determined that all eight of the monitoring reviews conducted by the CERM team, for health and safety inspections completed by the ICDH for fiscal year 2022, were completed on January

30, 2024. The Department reviews were completed after the audit of the program commenced. Based on our analysis, it appeared that the ICDH was properly completing the health and safety inspections. However, the Department cannot ensure that childcare providers serving children who receive subsidies meet applicable health and safety standards when monitoring the contracted reviews occurs so far after the date of review. Additionally, when the Department contracted these inspections out to the ICDH, they did not include a time frame to complete the reviews of the inspections in its policies and procedures. Completing reviews more than 12-months after the inspection greatly increases the risk of noncompliance and reduces the Department's ability to enforce compliance.

Cause: According to the Department, personnel staffing issues led to the delay of the Department's reviews over the health and safety inspections.

Effect: The CERM team did not review the providers' health and safety inspections in a timely manner. Providers receiving subsidies could have been noncompliant with all applicable health and safety requirements and children could have been unduly at risk.

Recommendation: We recommend that the Department complete reviews of the health and safety inspections in a timely manner. We also recommend that the Department define due dates for completion of these reviews within the program guidelines to provide an appropriate time to remediate issues raised during the inspections and ensure compliance.

Management's View: *The Department agrees with the finding.*

The Department review of contracted health and safety inspections was not performed timely. Completion of childcare provider health and safety inspections is very important to the Department. Childcare providers are not certified for program subsidy participation without an inspection.

Corrective Action: *The division will complete reviews of the health and safety inspections in a timely manner. The division will review and update the existing process document to support this corrective action plan defining timeframes for completion of these reviews so that there is appropriate time to remediate issues raised during the inspections and ensure compliance. The updated process document will be in place and appropriate staff will implement by 9/30/2024.*

Auditor's Concluding Remarks: We thank the Department for its cooperation and assistance throughout the audit.

FINDING 2023-216
The Department did not have appropriate documentation to support allowability of transactions for the Foster Care Title IV-E program.

Type of Finding: Material Weakness, Noncompliance

Assistance Listing Title: Foster Care Title IV-E
Assistance Listing Number: 93.658
Federal Award Number: 2201IDFOST; 2301IDFOST
Program Year: October 1, 2021 – September 30, 2022; October 1, 2022 – September 30, 2023
Federal Agency: Department of Health and Human Services
Compliance Requirement: Activities Allowed or Unallowed, Allowable Costs/Costs Principles
Questioned Costs: Known $4,555; Projected $213,387

Criteria: The U.S. *Code of Federal Regulations* (CFR), *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) included in 2 CFR 200.303

requires that a nonfederal entity receiving federal awards establish and maintain internal controls that provide reasonable assurance that the nonfederal entity is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions in the federal award.
The *Internal Control Integrated Framework* published by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) identifies control activities that help ensure management directives are carried out and risks are mitigated. These activities include items such as approvals, authorizations, verifications, reconciliations, and segregation of duties.

The *Uniform Guidance* included in 42 U.S. Code (USC) 675(4)(A) states that the term "foster care maintenance payments" means payments to cover the cost of (and the cost of providing) food, clothing, shelter, daily supervision, school supplies, a child's personal incidentals, liability insurance with respect to a child, reasonable travel to the child's home for visitation, and reasonable travel for the child to remain in the school in which the child is enrolled at the time of placement.

The *Uniform Guidance* included in 45 CFR 1356.60(c)(3) states that allowable administrative costs do not include the costs of social services provided to the child, the child's family or foster family, which provide counseling or treatment to ameliorate or remedy personal problems, behaviors, or home conditions.

The *Uniform Guidance* states that costs claimed as foster maintenance payments that include medical, educational (except for school supplies and the cost of reasonable travel for the child to remain in the school in which the child is enrolled at the time of placement in foster care), or other expenses not outlined in 42 USC 675(4)(A) are unallowed.

Condition: We tested 61 expenditure transactions charged to the Foster Care - Title IV-E program. The sample included 4 expenditures that were for unallowable costs charged to the program or that were missing supporting documentation making it difficult to determine if the costs were allowable. We also identified one transaction that did not have evidence of review and approval prior to payment but appears to be for an allowable expenditure. The details for the 5 of 61, or 8 percent, transactions with exceptions is as follows:

1) We determined that 2 out of 61 transactions tested (or 3.2 percent) were unallowable. The first transaction was paid for the family therapy service. The total cost was $206. This type of activity is specifically unallowable under 45 CFR 1356.60(c)(3). The second transaction was paid for an intensive reading program for a child. The total cost was $3,200. This type of activity is unallowable under 42 USC 675(4)(A), which only allows for educational activities for school supplies and the cost of reasonable travel for the child to remain in the school in which the child is enrolled at the time of placement in foster care.
2) For 2 out of 61 transactions tested (or 3.2 percent), we were not able to determine allowability due to missing support documentation. For the first transaction, we were unable to determine the purpose for a car rental and gasoline purchase totaling $780. The supporting documentation did not include enough detail to ensure allowability. For the second transaction, we were unable to determine the purpose and allowability for a travel expenditure totaling $349. The supporting documentation for the purchase of an airline ticket did not include a travel voucher or agenda.
3) The review and approval of 1 out of 61 transactions tested (or 1.6 percent) was not documented. The transaction totaled $61.

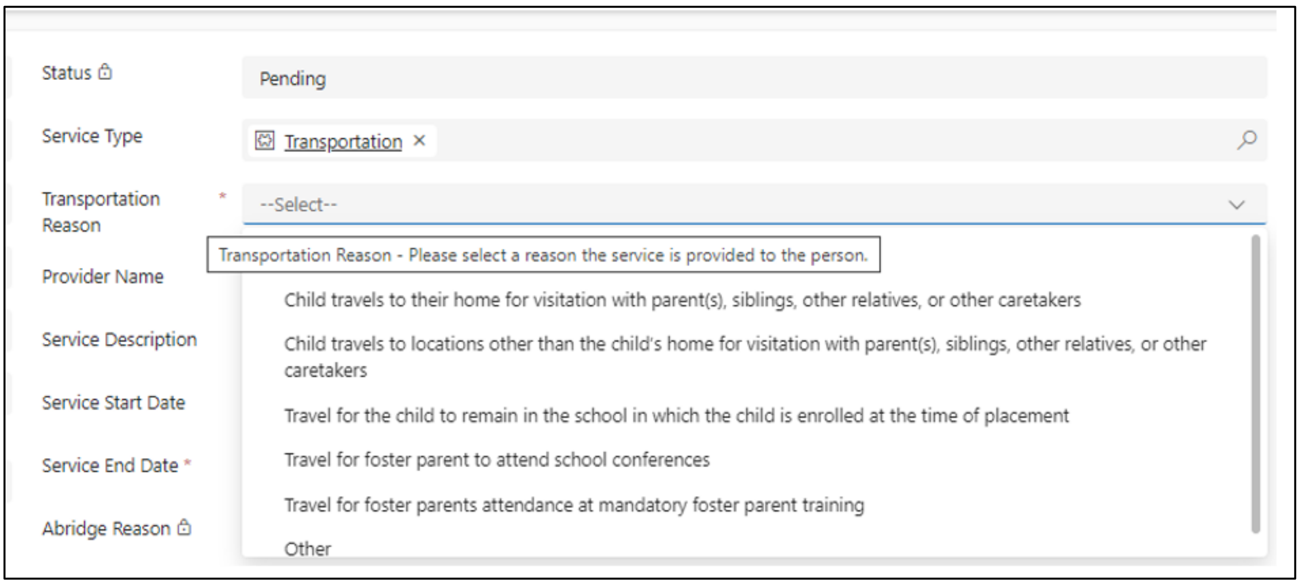
Cause: The Department could not locate additional support documentation to justify the payments. In addition, the Department did not consider that additional support should be retained to ensure compliance. The Department considered the activities for the family therapy services and the intensive reading program as allowable.

Effect: Federal funds were expended for unallowable activities. The total for unallowable activities and activities lacking supporting documentation was $4,555. The total projected questioned costs for allowable activities are $213,387. Further, other expenditures in our sample did not have appropriate supporting documentation which increases the likelihood of additional unallowable activities.

Recommendation: We recommend that the Department strengthen internal control procedures to ensure that expenditures are allowable and that sufficient documentation is retained to support that determination.

Management's View: *The Department agrees with the finding.*

Corrective Action: *A new feature was added to ESPI on 1/9/24 to record the reason (purpose) for certain service types, including transportation. The system is programmed to disallow Title IV-E if the reason listed does not meet IV-E eligibility criteria (see image below). An additional control will be added to the system to have the same control procedure used for a medical service type and education service type. Further development is underway for additional control procedures and should be completed by April of 2025.*



P-card transactions do not process through ESPI. Quarterly reports will be obtained to review any P-card transactions that utilized Title IV-E to confirm appropriate documentation is on record. This will be completed by April 30, 2024.

Auditor's Concluding Remarks: We thank the Department for its cooperation and assistance throughout the audit.

FINDING 2023-217
<u>The Department does not have documented internal controls for adjustments processed to the Foster Care -Title IV—E program.</u>

Type of Finding: Material Weakness

Assistance Listing Title: Foster Care Title IV-E
Assistance Listing Number: 93.658
Federal Award Number: 2201IDFOST; 2301IDFOST
Program Year: October 1, 2021 – September 30, 2022; October 1, 2022 – September 30, 2023
Federal Agency: Department of Health and Human Services
Compliance Requirement: Activities Allowed or Unallowed; Allowable Costs/Costs Principles
Questioned Costs: None

Criteria: The U.S. *Code of Federal Regulations* (CFR), *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) included in 2 CFR 200.303 requires that a nonfederal entity receiving federal awards establish and maintain internal controls that provide reasonable assurance that the nonfederal entity is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions in the federal award.

The *Internal Control Integrated Framework* published by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) identifies control activities that help ensure management directives are carried out and risks are mitigated. These activities include items such as approvals, authorizations, verifications, reconciliations, and segregation of duties.

Condition: The Foster Care - Title IV-E program maintenance payments are processed through the Ensuring Safety & Permanency in Idaho system (ESPI). Those payments include recurring, non-recurring, and adjustment transactions. Adjustments transactions are processed by the Department's program personnel on a monthly basis. Adjustments are a function of the pace at which the Department is able to obtain the documents and information for eligibility determinations. Court documents can take extended periods to obtain. In addition, the intermittent nature of child support payments also drives adjustments in the program. We were not able to identify documented internal controls over the adjustment transactions for 60 out of 62 adjustment transactions (or 96.7 percent) that were processed through ESPI.

Cause: The review and approval over the adjustment transactions were not documented within the program software.

Effect: We did not identify any substantive or compliance errors during testing over adjustment transactions. However, without documentation of a review and approval, there is an increased risk of errors occurring and going undetected.

Recommendation: We recommend that the Department design and implement internal controls to document the review and approval of the adjustment transactions processed in ESPI.

Management's View: *The Department agrees with the finding.*

Corrective Action: *The Department will continue to record adjustment activity through Help Desk tickets, SharePoint documentation, and ESPI. The Department will ensure improved visibility to the adjustment and approval process and documentation by ensuring all roles who need access (including auditors), have access to all relevant systems and storage locations such as access to SharePoint and Help Desk tickets. This step will be completed by April 30, 2024.*

Auditor's Concluding Remarks: We thank the Department for its cooperation and assistance throughout the audit.

FINDING 2023-218

The Department failed to provide necessary documentation to support the eligibility determination for two foster care providers within the Foster Care -Title IV—E program.

Type of Finding: Noncompliance

Assistance Listing Title: Foster Care Title IV-E
Assistance Listing Number: 93.658
Federal Award Number: 2201IDFOST; 2301IDFOST
Program Year: October 1, 2021 – September 30, 2022; October 1, 2022 – September 30, 2023
Federal Agency: Department of Health and Human Services

Compliance Requirement: Eligibility
Questioned Costs: Known $884; Projected $126,091

Criteria: Federal law 42 U.S. Code (USC) 672(b) states that foster care maintenance payments may be made under this part only on behalf of a child described in subsection (a) of this section who is:

(1) in the foster family home of an individual, whether the payments therefor are made to such individual or to a public or private child-placement or child-care agency, or
(2) in a child-care institution, whether the payments therefor are made to such institution or to a public or private child-placement or child-care agency, which payments shall be limited so as to include in such payments only those items which are included in the term "foster care maintenance payments" (as defined in section 475(4)).

Federal Law 42 USC 672(c) defines a foster family home as:

(A) In general. The term "foster family home" means the home of an individual or family:
  - (i) that is licensed or approved by the State in which it is situated as a foster family home that meets the standards established for the licensing or approval, and
  - (ii) in which a child in foster care has been placed in the care of an individual, who resides with the child and who has been licensed or approved by the State to be a foster parent
    - (I) that the State deems capable of adhering to the reasonable and prudent parent standard,
    - (II) that provides 24-hour substitute care for children placed away from their parents or other caretakers, and
    - (III) that provides the care for not more than six children in foster care.

The *Uniform Guidance* included in 42 USC 671(a)(20)(A) states that the foster family home provider must have satisfactorily met a criminal records check, including a fingerprint-based check with respect to prospective foster and adoptive parents.

The *Uniform Guidance* included in 42 USC 671(a)(20)(B) states that a Title IV-E agency must check, or request a check of, a state-maintained child abuse and neglect registry in each state the prospective foster and adoptive parent(s) and any other adult(s) living in the home have resided in the preceding five years before the State can license or approve a prospective foster or adoptive parent.

Condition: During our review of the eligibility determination for foster care providers, the Department could not locate the foster home license documentation for 2 out of 65 foster homes reviewed (or 3 percent). For those same 2 foster homes, child abuse and neglect registry checks were not provided, and for 1 of those 2 foster homes a criminal record check and a fingerprint-based check were not provided.

Cause: The Department was unable to locate the proper backup eligibility documentation. In addition, the Department mentioned that this situation was caused by the migration of data from an old system, iCare, to the new system, Ensuring Safety & Permanency in Idaho (ESPI), which was fully implemented on November 26, 2020.

Effect: Foster families could be receiving subsidies without proper licensing and without passing background checks, fingerprint-based checks, and child abuse and neglect checks. This also increases the risk to the safety of the children placed in these homes. The total amount associated with the exceptions noted was $884. The total projected questioned costs for eligibility items are $126,091.

Recommendation: We recommend that the Department design procedures to ensure that background, fingerprint-based, and child abuse and neglect checks are completed and properly maintained for Foster Care - Title IV—E eligibility determinations.

Management's View: *The Department agrees with this finding.*

Corrective Action: *The department agrees with the finding related to the critical importance of obtaining and maintaining documentation for all necessary background checks. Although the department was ultimately able to verify background checks were completed, we agree that we were unable to readily pull the needed documentation on these in a timely manner. To correct the issue, the department will add an additional point of verification that the Enhanced Criminal History Background Check clearance letter from the Background Check Unit's system is uploaded to eCabinet, by having supervisors view the document within eCabinet prior to approving the initial foster care license. Supervisors will also confirm that all ICPC home studies address results of background checks for all adults in the home and any additional potential caregivers. This will be completed April 2024.*

Auditor's Concluding Remarks: We thank the Department for its cooperation and assistance throughout the audit.

FINDING 2023-219
The level of effort spending requirements for the Adoption Assistance Title IV-E program were not met.

Type of Finding: Significant Deficiency, Noncompliance

Assistance Listing Title: Adoption Assistance
Assistance Listing Number: 93.659
Federal Award Number: 2201IDADPT; 2301IDADPT
Program Year: October 1, 2021 – September 30, 2022; October 1, 2022 – September 30, 2023
Federal Agency: Department of Health and Human Services
Compliance Requirement: Matching; LOE; Earmarking
Questioned Costs: None

Criteria: The U.S. *Code of Federal Regulations* (CFR), *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) included in 2 CFR 200.303 requires that a nonfederal entity receiving federal awards establish and maintain internal controls that provide reasonable assurance that the nonfederal entity is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions in the federal award.

The *Internal Control Integrated Framework* published by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) identifies control activities that help ensure management directives are carried out and risks are mitigated. These activities include items such as approvals, authorizations, verifications, reconciliations, and segregation of duties.

The *Uniform Guidance* included in 42 USC 673(a)(8)(A) states that a state must calculate the adoption savings (if any) resulting from the application of different program eligibility rules (42 USC 673 (a)(2)(A)(ii)) to all applicable children for a fiscal year using methodology proposed by the state and approved by ACF.

The *Uniform Guidance* included in 42 USC 673(a)(8)(D)(i) states that a state shall spend an amount equal to the amount of the savings (if any) in state expenditures under this part resulting from the application of paragraph (2)(A)(ii) to all applicable children for a fiscal year, to provide to children of families any service that may be provided under part B or this part. A state shall spend not less than 30 percent of any such savings on post-adoption services, post-guardianship services, and services to support and sustain positive permanent outcomes for children who otherwise might enter into foster care under the responsibility of the state, with at least two-thirds (2/3) of the spending by the state to comply with such 30 percent requirement being spent on post-adoption and post-guardianship services.

Condition: During fiscal year 2023, the minimum spending amount to meet level of effort requirements for the Adoption Assistance Title IV-E program was $362,738. The Department only spent $276,658 of the required amount of adoption savings, calculated for federal fiscal year 2022, on post-adoption services, post-guardianship services, and services to support positive permanent outcomes for children at risk of entering foster care. The difference was $86,080. The amount spent was only 22.9 percent and the program requirement is 30 percent of adoption savings.

Cause: Population growth, COVID impacts, staff turnover, and increasing residential treatment costs have reached a point that the Department's budget was strained beyond capacity. The Department stated that the dollars to meet level of effort requirements come from its state General Fund appropriation, and the Department prioritized those limited General Fund dollars to emergent, critical, and safety related needs of kids in foster care over complying with the matching requirements for this program.

Effect: Adoptive families in Idaho did not receive the full benefits of post-adoption services, post-guardianship services, and services to support positive permanent outcomes for children at risk of entering foster care that are required under this program.

Recommendation: We recommend that the Department design, implement and maintain internal control procedures to ensure compliance with level of effort requirements for Adoption Assistance Title IV-E program. We further recommend that the Department improve budgeting and monitoring for General Fund spending plans and actual expenditures to ensure that they can comply with federal requirements.

Management's View: *The Department agrees with the finding.*

Corrective Action: *Beginning 07/01/2023, FACS implemented a monthly review of post-permanency services invoices and payments to support correct usage of adoption assistance funds including 30% spending of adoption savings for prevention. Progress toward fully effective integration of this process has been hindered by limited access to timely and accurate budget data from LUMA. FACS will refine the monthly review process to ensure current and accurate tracking and use of funds. This will be completed July 2024.*

Auditor's Concluding Remarks: We thank the Department for its cooperation and assistance throughout the audit.

FINDING 2023-220
The Department failed to provide necessary supporting documentation for five Adoption Assistance Title IV-E eligibility determinations.

Type of Finding: Material Noncompliance

Assistance Listing Title: Adoption Assistance
Assistance Listing Number: 93.659
Federal Award Number: 2201IDADPT; 2301IDADPT
Program Year: October 1, 2021 – September 30, 2022; October 1, 2022 – September 30, 2023
Federal Agency: Department of Health and Human Services
Compliance Requirement: Eligibility
Questioned Costs: Known $2,249; Projected $711,238

Criteria: The *Uniform Guidance* included in 42 U.S. Code (USC) 671(a)(20)(A) states that the prospective adoptive parent(s) must have satisfactorily met a criminal record check, including a fingerprint-based check.

The *Uniform Guidance* included in 42 USC 671(a)(20)(B) states that the prospective adoptive parent(s) and any other adult living in the home who has resided in the provider home in the preceding five years must satisfactorily have met a child abuse and neglect registry check.

The *Uniform Guidance* in the 42 USC 675(3) states that the agreement for the subsidy was signed and was in effect before the final decree of adoption and contains information concerning the nature of services.

Condition: The Department could not locate criminal records check, fingerprint-based check, and child abuse and neglect registry check for 3 out of 65 adoption cases reviewed (or 4.6 percent).

In addition, the Department could not locate 2 of the 65 adoption agreements we tested (or 3 percent).

Cause: The Department was unable to locate the proper supporting eligibility documentation. In addition, the Department mentioned that this situation was caused by the migration of data from an old system, iCare, to the new system, Ensuring Safety & Permanency in Idaho (ESPI), which was fully implemented on November 26, 2020.

Effect: Adoption families could be receiving subsidies without proper adoption agreement and without passing background check, fingerprint-based check, and child abuse and neglect checks. The total amount associated with the exceptions noted was $2,249. The total projected questioned costs for eligibility items are $711,238.

Recommendation: We recommend that the Department maintain supporting documentation for Adoption Assistance Title IV—E eligibility determinations.

Management's View: *The Department agrees with the finding.*

Corrective Action: *The department agrees with the finding related to the critical importance of obtaining and maintaining documentation for all necessary background checks. Although the department was ultimately able to verify background checks were completed, we agree that we were unable to readily pull the needed documentation on these in a timely manner. The department will assure supporting documentation for Adoption Assistance Title IV-E eligibility determinations are maintained within the electronic filing system by adding an additional verification to the current process. When a supervisor reviews a departmental adoption for finalization, they will verify that a copy of the Enhanced Criminal History Background clearance letter for all adults residing in the home is uploaded to the prospective adoptive parents' profile in eCabinet (the electronic case management system), and the signed copy of the adoption assistance agreement is uploaded to the child's profile. The application process for Adoption Assistance Title IV-E eligibility for private adoptions will be updated to include the addition of the Enhanced Criminal History Background clearance letters for all adults residing in the home to the child's eCabinet file. When a supervisor approves an adoption assistance agreement for a private adoption, they will verify a copy of the signed adoption assistance agreement is uploaded to the adoptive child's profile. This will be completed by August 2024.*

Auditor's Concluding Remarks: We thank the Department for its cooperation and assistance throughout the audit.

FINDING 2023-221

The Department did not review subrecipient application information for the Coronavirus State and Local Fiscal Recovery Funds at a sufficient level to identify missing information.

Related to Prior Finding: 2022-210

Type of Finding: Significant Deficiency, Noncompliance

Assistance Listing Title: Coronavirus State and Local Fiscal Recovery Funds
Assistance Listing Number: 21.027
Federal Award Number: 20-1982-0-1-806

STATE OF IDAHO
FEDERAL FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Program Year: March 3, 2021 – December 31, 2024
Federal Agency: Department of Treasury
Compliance Requirement: Subrecipient Monitoring
Questioned Costs: None

Criteria: The U.S. *Code of Federal Regulations* (CFR), *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) included in 2 CFR 200.303 requires that a nonfederal entity receiving federal awards establish and maintain internal controls that provide reasonable assurance that the nonfederal entity is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions in the federal award.
The *Internal Control Integrated Framework* published by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) identifies control activities that help ensure management directives are carried out and risks are mitigated. These activities include items such as approvals, authorizations, verifications, reconciliations, and segregation of duties.

The *Uniform Guidance* included in 2 CFR 200.332 describes the pass-through entities' responsibility for administering necessary requirements on subrecipients so that the federal award is used in accordance with federal regulations.

The *Uniform Guidance* included in 2 CFR 200.332(a)(1)(iii) states that pass-through entities must ensure that every subaward is clearly identified to the subrecipient as a subaward and includes the Federal Award Identification Number (FAIN) at the time of subaward.

Condition: The Department used COVID State and Local Fiscal Recovery funds to respond to the public health and negative economic impacts resulting from the COVID-19 pandemic. The Division of Public Health and the Idaho Council on Domestic Violence and Victim Assistance were responsible for distributing these funds and created a process for their prospective recipients to apply and receive funding. During testing, we noted 2 applications out of our sample of 8 (25 percent) that did not include FAINs in application documentation, as required.

Cause: The Department had review procedures in place; however, the reviews of subrecipient application documentation were not completed at a level sufficient to identify missing FAINs.

Effect: The Department is exposed to increased risk of improper payments and noncompliance with federal requirements when applications do not meet all requirements for receiving funding.

Recommendation: We recommend that the Department design and implement effective internal control procedures to ensure subrecipient applications are completed accurately and in compliance with federal requirements.

Management's View: *The Department agrees with the finding.*

Corrective Action: *The Division of Public Health and Idaho Council on Domestic Violence and Victim Assistance (ICDVVA) will take steps to ensure new staff receive training related to awarding grants, to include components on appropriate internal controls, identifying required grant elements, detailing the grant process, and outlining record retention requirements. All current employees have been trained as of March 2024. All newly hired employees will be trained beginning April 2024.*

Auditor's Concluding Remarks: We thank the Department for its cooperation and assistance throughout the audit.

STATE OF IDAHO
FEDERAL FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

FINDING 2023-222
Supporting documentation to demonstrate the completion of subrecipient risk assessments for the Activities to Support State, Tribal, Local and Territorial (STLT) Health Department Response to Public Health or Healthcare Crises program was not available for review.

Type of Finding: Significant Deficiency, Noncompliance

Assistance Listing Title: Activities to Support State, Tribal, Local and Territorial (STLT) Health Department Response to Public Health or Healthcare Crises
Assistance Listing Number: 93.391
Federal Award Number: 1 NH75OT000105-01-00; 6 NH75OT000105-01-00
Program Year: June 1, 2021 – May 31, 2024
Federal Agency: Department of Health and Human Services
Compliance Requirement: Subrecipient Monitoring
Questioned Costs: None

Criteria: The U.S. *Code of Federal Regulations* (CFR), *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) included in 2 CFR 200.303 requires that a nonfederal entity receiving federal awards establish and maintain internal controls that provide reasonable assurance that the nonfederal entity is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions in the federal award.

The *Internal Control Integrated Framework* published by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) identifies control activities that help ensure management directives are carried out and risks are mitigated. These activities include items such as approvals, authorizations, verifications, reconciliations, and segregation of duties.

The *Uniform Guidance* included in 2 CFR 200.332(b) states that all pass-through entities must 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.

Condition: The Department was unable to provide a subrecipient risk assessment for 1 out of 8 (or 12.5 percent) subrecipients we reviewed. The Department was compliant with all other aspects of the subrecipient monitoring compliance requirements for that subrecipient.

Cause: During the time in which the missing documentation was supposed to be created, the Department's program staff were in the process of being hired and trained. Responsibilities were also being transitioned to the newly onboarded staff from the other program staff that assisted in the implementation of the grant.

Effect: The Department is exposed to increased risk of noncompliance related to subrecipients and improper payments in the Activities to Support State, Tribal, Local and Territorial (STLT) Health Department Response to Public Health or Healthcare Crises program.

Recommendation: We recommend that the Department strengthen internal controls to ensure required risk assessments are completed and supporting documentation is retained.

Management's View: *The Department agrees with the finding.*

Corrective Action: *The division will ensure new staff receive training related to awarding grants, to include components on appropriate internal controls, identifying required grant elements, detailing the grant process, and outlining record retention requirements. All current employees have been trained as of March 2024. All newly hired employees will be trained beginning April 2024.*

Auditor's Concluding Remarks: We thank the Department for its cooperation and assistance throughout the audit.

FINDING 2023-223
Managed Care providers lacked documentation to support continued eligibility within the Medicaid Program.

Type of Finding: Significant Deficiency, Noncompliance

Assistance Listing Title: State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare; Medical Assistance Program
Assistance Listing Number: 93.775; 93.777; 93.778
Federal Award Number: 2205ID5000; 2205ID50C3; 2305ID5000; 2305ID50C3; 2305ID5CAA; 2205ID5MAP; 2205ID5ADM; 2205IDIMPL; 2305ID5MAP; 2305ID5ADM
Program Year: October 1, 2021 – September 30, 2022; October 1, 2022 – September 30, 2023
Federal Agency: Department of Health and Human Services
Compliance Requirement: Special Tests and Provisions
Questioned Costs: None

Criteria: The U.S. *Code of Federal Regulations* (CFR), *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) included in 2 CFR 200.303 requires that a nonfederal entity receiving federal awards establish and maintain internal controls that provide reasonable assurance that the nonfederal entity is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions in the federal award.

The *Internal Control Integrated Framework* published by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) identifies control activities that help ensure management directives are carried out and risks are mitigated. These activities include items such as approvals, authorizations, verifications, reconciliations, and segregation of duties.

The *Uniform Guidance* included in 42 CFR section 431.107 states that providers must be licensed in accordance with federal, state and local laws, and regulations to participate in the Medicaid program and receive payments.

The *Uniform Guidance* included in 42 CFR section 455.412 states that the Medicaid State Plan gives assurance that the State Medicaid Agency has a method for verifying providers licensed by the State and that such provider licenses have not expired or have no current limitations.

Condition: Managed Care Organizations (MCO) providers are monitored by the Bureau of Care Management using a provider roster. The Department receives and tracks the provider roster for all MCO annually.

We noted four of the sixty-two managed care providers tested (6.5 percent) did not have documentation to support their provider eligibility; however, those providers were included in the roster as of December 2023. The Department was not able to provide documentation that these providers had the applicable licenses and certifications, entered into a provider agreement, and have made the required disclosures to the State.

The four providers did not have an active contract with MCO during the period, nor did they have any claim payments associated with the provider. However, a Medicaid recipient could possibly utilize a provider from the roster, including these four providers, and claim payments could be processed by an MCO and go undetected by the Department.

Cause: Two of the four providers initiated the provider enrollment process, but ultimately did not fully enroll. This situation caused the provider to appear as being contracted with MCO. The other two providers were terminated by an MCO in the spring of 2023, but the providers remained on the roster through the end of the term. The provider roster as of December 2023 was not updated to reflect these changes.

Effect: We reviewed the fiscal year 2023 expenditure data and confirmed that there were no claimant payments made to these providers during fiscal year 2023. However, there is increased risk surrounding managed care eligibility due to the reliability of the provider roster.

Recommendation: We recommend that the Department strengthen internal controls to ensure required documentation is maintained for Managed Care providers, including applicable licenses and certifications, provider agreements, and required disclosures to the State.

Management's View: *The Department agrees with the finding.*

While a provider cannot be reimbursed without an active contract or an executed single case agreement, we agree that it is best practice to have a provider directory reflective of active, enrolled and fully credentialed providers. The Division has two efforts underway to address this finding.

Corrective Action: *The 21st Century Cures Act requires all states to enroll both fee-for-service and managed care providers. Idaho Medicaid is currently out of compliance with this requirement for most of the providers within managed care contractor networks. The state is also working to come into compliance with a requirement in the Affordable Care Act to revalidate all enrolled providers at least every 5 years. The Division has begun the systems work necessary to come into compliance with both of these requirements and anticipates working through enrollment and revalidation activities into CY2025. Once completed, the Division will have an accurate and complete provider file that will be shared with contracted managed care plans to support their contracting efforts. Any providers who contract with the managed care plans will be required to be fully enrolled and credentialed with Idaho Medicaid before rendering services and billing.*

Pursuant to the Consolidated Appropriations Act of 2023, states are required by July 2025 to have a searchable and regularly updated provider directory for both managed care plans and fee-for-service programs. Idaho Medicaid is working to develop processes to validate directories and ensure that providers are providing updates to their information as necessary. Through this effort, Idaho Medicaid will further bolster internal processes and controls to ensure accurate provider network information is shared with Medicaid participants and maintained within our systems.

Auditor's Concluding Remarks: We thank the Department for its cooperation and assistance throughout the audit.

FINDING 2023-224

The required audited financial reports were not collected as required to ensure compliance with the Managed Care Organization contracts.

Type of Finding: Material Weakness, Material Noncompliance

Assistance Listing Title: State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare, Medical Assistance Program
Assistance Listing Number: 93.775; 93.777; 93.775; 93.778
Federal Award Number: 2205ID5000; 2205ID50C3; 2305ID5000; 2305ID50C3; 2305ID5CAA; 2205ID5MAP; 2205ID5ADM; 2205IDIMPL; 2305ID5MAP; 2305ID5ADM
Program Year: October 1, 2021 – September 30, 2022; October 1, 2022 – September 30, 2023
Federal Agency: Department of Health and Human Services

Compliance Requirement: Special Tests and Provisions
Questioned Costs: None

Criteria: The U.S. *Code of Federal Regulations* (CFR), *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) included in 2 CFR 200.303 requires that a nonfederal entity receiving federal awards establish and maintain internal controls that provide reasonable assurance that the nonfederal entity is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions in the federal award.

The *Internal Control Integrated Framework* published by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) identifies control activities that help ensure management directives are carried out and risks are mitigated. These activities include items such as approvals, authorizations, verifications, reconciliations, and segregation of duties.

The *Uniform Guidance* included in 42 CFR Section 438.3(m) requires the contract with Managed Care Organizations (MCO) to include the requirement to submit audited financial reports specific to the Medicaid contract on an annual basis. These audits must be conducted in accordance with generally accepted accounting principles and generally accepted auditing standards.

Condition: We reviewed all four MCO contracts that were active during fiscal year 2023. We noted that 3 out of 4 Managed Care Organization's contracts tested did not have specific clauses clearly requiring the MCO to submit an audited financial report as required by 42 CFR Section 438.3(m). In addition, three of the four (or 75 percent) audited financial reports were not submitted until after the current single audit inquiry about the reports occurred.

Cause: The contracts were not clearly written to directly require the MCO to submit an audited financial report. The Bureau of Care Management stated that the MCOs were not contractually obligated to submit the audited financial reports. However, the Department is obligated to comply with federal requirements, and we found a reference to the 42 CFR Section 438.3(m) requirement in two of the four MCO contracts, which would indicate some knowledge that the grantor required audited financial statements. However, only one of the contracts included the clear specific requirements included in the 42 CFR Section 438.3(m). The Department requested the reports from the MCOs after receiving the request for the reports from our auditors.

Effect: Audited financial reports provide information about internal controls and compliance with laws, rules and regulations. Collecting these reports, and reviewing them, provides additional oversight and the ability to react to the risk of noncompliance occurring at the MCOs. Additionally, the Department is not in compliance with federal requirements to collect these reports.

Recommendation: We recommend that the Department amend the MCO contracts to include a requirement to submit audited financial reports on an annual basis and design and implement internal controls to monitor the receipt and review of the reports.

Management's View: *The Department agrees with the finding.*

Corrective Action: *The Division will amend all current managed care contracts to include the requirement to submit an audited financial report annually. This contract language will also be incorporated into all future Medicaid managed care procurements. The Division will also review and confirm all required contract elements outlined in 42 CFR 438.3 are clearly outlined in Medicaid managed care contracts. Lastly, the Division intends to coordinate with the Department of Insurance to learn more about their review process of audited financial statements and determine if there is an opportunity to coordinate oversight efforts for Medicaid managed care contracts going forward.*

Auditor's Concluding Remarks: We thank the Department for its cooperation and assistance throughout the audit.

IDAHO DEPARTMENT OF PARKS AND RECREATION (Department)

FINDING 2023-225

Review of federal suspension and debarment status is not adequately performed or documented to demonstrate compliance with the federal requirements for the Coronavirus State and Local Fiscal Recovery Funds program.

Type of Finding: Significant Deficiency

Assistance Listing Title: Coronavirus State and Local Fiscal Recovery Fund
Assistance Listing Number: 21.027
Federal Award Number: SLFRP0142
Program Year: March 3, 2021 – December 31, 2024
Federal Agency: Department of Treasury
Compliance Requirement: U.S. *Code of Federal Regulations* (CFR) 2 CFR Part 180.300)
Questioned Costs: None

Criteria: The U.S. *Code of Federal Regulations* (CFR) *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (2 CFR Part 180.300) requires grantees to verify an entity is not suspended or debarred or otherwise excluded before entering into a covered transaction. The verification is accomplished by (1) checking the System for Award Management (SAM) Exclusions maintained by the General Services Administration and available online, (2) collecting a certification from the entity, or (3) adding a clause or condition to the covered transaction with that entity.

Non-federal entities are prohibited from contracting with or making subawards under covered transactions to parties that are suspended or debarred. Covered transactions, as defined by 2 CFR 180.220, include contracts for goods and services awarded under a non-procurement transaction (e.g., grant or cooperative agreement) that are expected to equal or exceed $25,000 or meet certain other criteria.

Also, 2 CFR 200.303 requires that the Department establish and maintain effective internal control over the federal award that provides reasonable assurance that the Department is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award.

Condition: During fiscal year 2023, the Department completed covered transactions and later verified that a vendor was not suspended or debarred when quarterly reporting was submitted to the Division of Financial Management (DFM). To document this verification, the Department listed the unique entity identifier (UEI) number on an excel workbook. However, this verification was performed after payments had been made to these vendors.

Cause: The Department did not consider completing this verification prior to issuing payment and properly documenting the verification, such as printing a report or some other form of documentation to confirm that a check had been performed, since they are able to review this verification at any time. The Department did not consider any vendor to be a significant risk and indicated the timing of the check issuance, which was also impacted by the implementation of Luma (new ERP system) and staffing issues, may have factored into the late verification.

Effect: We did not identify suspended or debarred vendors receiving federal funds during our testing. However, the Department does not have procedures in place to identify a suspended or debarred vendor prior to issuance of payment. Performing a verification after payment creates a risk that the Department may enter into covered transactions with suspended and debarred parties.

Recommendation: We recommend that the Department ensure that sufficient documentation is maintained to comply with the suspension and debarment requirements and that a verification is performed before any payment is issued.

Management's View: *The Department agrees with this finding.*

Corrective Action: *In response to the Internal Control Deficiency identified as "Finding 1" in your letter, we have already implemented the following corrective action plan.*

1. *Our Development Bureau has revised their "Notice of Intent to Award" letter to include the collection of the Federally issued Unique Entity ID (UEI) for all projects funded with Federal funds.*
2. *The UEI information will be used to check the proposed contractor's exclusion status on the System for Award Management (SAM.gov) website and a printed report, or a printed screen shot of the exclusion status will be preserved prior to issuing the contract.*
3. *The person responsible for ensuring that this plan is followed is our Financial Officer, Steve Martin who can be reached by telephone at 208.514.2460, or by email at steve.martin@idpr.idaho.gov.*

Auditor's Concluding Remarks: We thank the Department for its cooperation and assistance throughout the audit.

IDAHO TRANSPORTATION DEPARTMENT (Department)

FINDING 2023-226

The Department did not develop and execute a Value Engineering work plan in compliance with the regulations for the federal Highway Planning and Construction grant.

Type of Finding: Material Weakness, Material Noncompliance

Assistance Listing Title: Highway Planning and Construction Grant
Assistance Listing Number: 20.205
Federal Award Number: Various
Program Year: Various
Federal Agency: Department of Transportation
Compliance Requirement: Special Tests – Value Engineering
Questioned Costs: None

Criteria: The U.S. *Code of Federal Regulations* (CFR), Title 23, Part 627 contains the regulations for Value Engineering (VE). Subsection c of 23 CFR part 627.7 states, "STAs (State Transportation Agencies) shall designate a VE Program Coordinator to promote and advance VE program activities and functions. The VE Coordinator's responsibilities should include establishing and maintaining the STA's VE policies and procedures; facilitating VE training; ensuring VE analyses are conducted on applicable projects; monitoring, assessing, and reporting on the VE analyses conducted and VE program; participating in periodic VE program and project reviews; submitting the required annual VE report to the Federal Highway Administration (FHWA); and supporting the other elements of the VE program."

The Department's Value Engineering Manual contains the policies and procedures for the VE program. Section 1.4 of the manual contains the policies for the Statewide Value Engineering Work Plan and states, "The Districts are responsible to develop and execute an annual Value Engineering Work Plan. Upon completion of the Draft State Transportation Improvement Plan (STIP), the districts will identify projects that require VE studies and select additional projects for VE studies. The districts will also select the timing and schedule to complete VE studies for their district. The Statewide VE Work Plan will be compiled annually by the Headquarters (HQ) VE

Coordinator upon submittal by the districts. The HQ VE Coordinator will prepare and submit an annual Value Engineering Program Summary Report to FHWA."

Section 6 of the Department's VE manual, titled Reporting/Tracking, states, "The VE coordinator shall be responsible for monitoring program compliance and annually reporting to FHWA. Value engineering operations will be monitored for compliance with the policies, procedures and standards identified in the preceding sections. Specific areas to be monitored include District Value Engineering work plan and schedule, District Value Engineering accomplishments (accepted cost savings, return-on-investment, functional enhancements), documentation of value engineering activities, Economic analysis methods being used in cost/benefit determinations for project decisions, compliance with the provisions of the Value Engineering procedures."

Finally, 2 CFR 200.303 requires the Department to establish and maintain effective internal control over the federal award that provides reasonable assurance that the Department is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award.

Condition: While developing our understanding of the VE program, we found that the procedures described in the Department's VE manual to monitor the Department's VE programs were not being followed. The requirement to develop and execute a VE work plan has not been completed in the past two years, and the Department does not have a formal process for ensuring that the annual VE reporting to FHWA is completed.

Cause: The Department was not aware of the CFR requirement to establish, maintain, and follow Value Engineering policies and procedures. The Department did not have a procedure to ensure the annual VE report was submitted to the FHWA and waited for the FHWA to request it.

Effect: The goals of VE analysis are to ensure that projects are providing the needed functions while considering community and environmental commitments, safety, reliability, efficiency, overall life cycle, optimizing value and quality, and reducing the time to develop and deliver the project. Without an effective VE work plan in place, there is a risk that these goals will not be met.

Recommendation: We recommend that the Department implement controls for monitoring and assessment of the Value Engineering Program to ensure the VE guidelines are being followed.

Management's View: *The Idaho Transportation Department (ITD) concurs with the audit finding and recommendation.*

Corrective Action: *ITD will develop a new standard operating procedure (SOP) to follow to ensure that the Districts develop an Annual Value Engineering Work Plan and that the Statewide Work Plan is compiled annually by the Headquarters Value Engineering Coordinator. This SOP will be developed in collaboration with FHWA staff to ensure 2 CFR 200.303 and 23 CFR Part 627 compliance. The SOP will include details as to who, what, where and when the specific tasks will occur so to provide clarity and control with regard to developing the work plan as well as monitoring, assessing and reporting on the Departments Value Engineering Program. The new SOP will be developed prior to FFY 2025, and statewide outreach and education will follow shortly thereafter.*

Auditor's Concluding Remarks: We thank the Department for its cooperation and assistance throughout the audit.

STATE OF IDAHO
SINGLE AUDIT REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

MANAGEMENT'S BASIC FINANCIAL STATEMENTS FINDINGS
CORRECTIVE ACTION PLAN

STATE OF IDAHO
CONTROLLER'S OFFICE
BRANDON D WOOLF

Corrective Action Plan - ACFR
For the Fiscal Year Ended June 30, 2023

<u>Office of the State Controller</u>

Finding Number 2023-101: The Office misclassified early repayments of $51.271 million of GARVEE and TECM debt as prepaids.

Related to Prior Finding: N/A

Agency's View: The Office agrees with this finding. This error was corrected prior to issuance of the financial statements.

Corrective Action: The State Controller's Office agrees with this finding. The adjustments to correct this were done prior to issuance. The Idaho Transportation Department had reported prepaying the GARVEE and TECM note payable to ensure that payment was received with new systems being implemented July 1st. As we had previously done with leases, we kept the liability and booked an asset. After discussing the issue with GASB, they informed us that long term liabilities would not be considered a prepaid, instead a reduction of liability would be shown on the statements. We have noted this and will be updating our closing package instructions to show that these items should be excluded.

Anticipated Corrective Action Date: The State Controller's Office will complete the corrective actions for the June 30, 2024 reporting period.

Responsible for Corrective Action:
Name: Tiffini LeJeune
Title: Reporting and Review Bureau Chief
Phone: (208) 334-3100
email: TLejeune@sco.idaho.gov

Finding Number 2023-102: The Department of Health and Welfare reported Supplemental Nutrition Assistance Program (SNAP) non-cash amounts for food stamps on the Schedule of Expenditures of Federal Awards (SEFA) closing package of $255,790,543 that was not included by the Office in the financial statements.

Related to Prior Finding: N/A

Agency's View: The Office agrees with this finding. This error was corrected prior to issuance of the financial statements.

Corrective Action: The State Controller's Office agrees with this finding. The entry was made before the financial statements were issued. While the non-cash entry was created, it was inadvertently not processed. To ensure this does not happen again in the future, we will be adding an additional trend analysis specific to the SNAP non-cash as part of the SEFA task checklist. This will involve running a query for the current and two prior fiscal years and ensuring the variance from year to year is within a reasonable range. In addition, we will require the entry to be done where the other miscellaneous entries are entered and processed.

Anticipated Corrective Action Date: The State Controller's Office will complete the corrective actions for the June 30, 2024 reporting period.

Responsible for Corrective Action: Name: Tiffini LeJeune
Title: Reporting and Review Bureau Chief
Phone: (208) 334-3100
email: TLejeune@sco.idaho.gov

Finding Number 2023-103: The Office's internal review process did not prevent or detect misstatements in the statewide ACFR submitted to the auditors.

Related to Prior Finding: 2022-101

Agency's View: The Office agrees with this finding. Most errors were corrected prior to issuance of the financial statements.

Corrective Action: The State Controller's Office acknowledges the misstatements and presentation errors identified by the auditors. Most errors were corrected prior to the issuance of the financial statements. The office will continue to evaluate and make improvements to the internal review procedures. The office will be working with the entities that provide us audited financial statements to ensure that we are provided with a final audit along with all the data that is required by GASB to be presented in the statements. If there are drafts, we will implement a compare process to ensure we catch any changes. Our team will review GASB guidance and take opportunities for training when available. We will be implementing the use of task checklists and prior year findings, to ensure a complete and timely review of the notes.

Anticipated Corrective Action Date: The State Controller's Office will complete the corrective actions for the June 30, 2024 reporting period.

Responsible for Corrective Action: Name: Tiffini LeJeune
Title: Reporting and Review Bureau Chief
Phone: (208) 334-3100
email: TLejeune@sco.idaho.gov

Finding Number 2023-104: A reconciliation was not completed to ensure the completeness of Payroll accruals included in the statewide financial statements.

Related to Prior Finding: N/A

Agency's View: The Office agrees with this finding.

Corrective Action: The State Controller's Office agrees with this finding. The office makes journal entries to record year-end payroll accruals for the portion of June payroll that was paid out in July. The audit noted no reconciliation was performed to ensure the completeness of the payroll accrual amounts. Due to the transition to a new enterprise resource planning system, the assertion was that there were no queries to reconcile between the Human Capital Management module and the Financial Services Module is inaccurate. The State Controller's Office did create detailed reports that required additional knowledge and expertise to isolate the exact information needed to reconcile.

Our corrective action plan is to improve the queries and reports available prior to the end of the fiscal year. As the upcoming year transition will occur within a singular system, we fully expect this to be a minor task with suitable reporting available. We will then accomplish the reconciliation and document the completion.

Anticipated Corrective Action Date: The corrective action plan along with validation of reconciliation will be accomplished prior to July 31, 2024.

Responsible for Corrective Action: Name: Scott Smith
Title: Deputy Controller
Phone: (208) 334-3100
email: ssmith@sco.idaho.gov

Idaho State Department of Education – Superintendent of Public Instruction

Finding Number 2023-105: The Department did not implement new policies and procedures to properly monitor data that supports foundation payments made to school districts and charter schools.

Related to Prior Finding: 2022-103

Agency's View: The Department agrees with this finding.

Corrective Action: The Public School Finance team implemented a Letter of Assurance completed by school auditors acknowledging the review of auditing recommendations set forth in the annual memo. This document outlines key areas of focus and provides reassurance that these areas are being reviewed. Specifically, a question is included asking if auditors reviewed internal controls for data submission and verified the accuracy of staffing and student information submitted by schools during the period of audit. A timeline of that process is immediately below:

- March 2, 2023: Notified school districts and charter schools during the annual spring training of the finding and that a Letter of Assurance would be requested from their auditor.
- May 2023: Department staff member working on this project transferred to another state agency.
- June 29, 2023: Mailed a 14-page "CPA Memo" to all auditors who had completed public school audits in the prior school year outlining major areas that each auditor should be reviewing and testing during audits of Idaho's public schools.
- June 29, 2023: That same "CPA Memo" was emailed to all auditors (whose email addresses we had) as well as all school district and charter school business managers.

- September 2023: Drafted the Letter of Assurance language.
- September 13 and 15, 2023: Had discussions with school auditors who provide services to several schools on the purpose/goal of the Letter of Assurance and received their feedback.
- September 15, 2023: Emailed Letter of Assurance to school auditors (whose addresses we had).
- September 18, 2023: Mailed the Letter of Assurance to all school auditors.
- October 4, 2023: Shared/discussed the Letter of Assurance with the school district and charter school staff attending the monthly School Business Official webinar.
    - The agenda for the meeting, which included the actual Letter of Assurance, was shared with all school business managers.
    - A recording of the webinar is available to all business managers.
- December 8, 2023: Updated the Letter of Assurance for FY 2024 to specifically include a statement that internal controls for data submission were reviewed.
- December 8, 2023: Have received the majority of the requested Letter of Assurances.

While Public School Finance staff review the audits submitted, the Department of Education will develop an additional deeper review of a small sample of district/charter school audits to verify accuracy of data reporting.

The Department's FY 2025 budget request includes a new position whose focus would be data validation and ensuring students are accounted for properly through working with Idaho's public schools and school auditors.

In the spring of 2024, Department staff will request the audit workpapers from a small sample of school districts and charter schools to do a deeper review and verify that items included in the Letter of Assurance were reviewed and documented.

Anticipated Corrective Action Date: See Corrective action above

Responsible for Corrective Action: Name: Gideon Tolman
Title: Chief Financial Officer
Email: gtolman@sde.daho.gov
phone: (208) 332-6874

<u>Idaho Division of Financial Management</u>

Finding Number 2023-106: The Division understated the Grants Advances closing package for the American Rescue Plan Act funds by $181 million.

Related to Prior Finding: N/A

Agency's View: The Division agrees with this finding.

Corrective Action: The agency submitted the grants package initially and had to make corrections to the report after this initial submission. We appreciate both LSO and SCO for working with DFM to ensure the correction was made in a timely fashion prior to issuance of the public financial statement. A weakness in internal controls prevented the identification of the error prior to the initial submission. While this technical error did not result in any funds being available to any agencies in error, DFM agrees that it is paramount that correct information be reported on all financial statements to ensure public confidence in state government. DFM will work with SCO for the necessary training on the grants package to remedy this internal control weakness prior to the next submission.

Anticipated Corrective Action Date: This will be corrected by June 30, 2024.

Responsible for Corrective Action: Name: Michael Pearson
Title: State Financial Officer
Email: Michael.Pearson@dfm.idaho.gov
Phone: (208) 854-3063

Idaho State Tax Commission

Finding Number 2023-107: The Commission's Accounts Receivable closing package for the statewide financial statements was overstated by $92.9 million.

Related to Prior Finding: N/A

Agency's View: The Commission agrees with this finding.

Corrective Action: Strengthen internal control procedures to ensure the accounts receivable closing package submitted for ACFR is accurate and complete. Create an internal review process and audit activities to assist with this process.

Anticipated Corrective Action Date: This will be corrected by June 30, 2024.

Responsible for Corrective Action: Name: Lisa Kopke
Title: Financial Executive Officer
Email: lisa.kopke@tax.idaho.gov
phone: (208) 334-7507

Name: Craig Allison
Title: Financial Specialist, PR
Email: craig.allison@tax.idaho.gov
Phone: (208) 334-7552

Finding Number 2023-108: Monthly reconciliations of the Refund Fund were not properly completed and documented for 5 of 12 months reviewed, or 42 percent.

Related to Prior Finding: 2022-106

Agency's View: The Commission agrees with this finding.

Corrective Action: Strengthen controls and create documentation of control activities performed for the Refund Fund. Segregation of duties are in place to assist with this process.

Anticipated Corrective Action Date: This will be corrected by June 30, 2024.

Responsible for Corrective Action: Name: Lisa Kopke
Title: Financial Executive Officer
Email: lisa.kopke@tax.idaho.gov
phone: (208) 334-7507

Name: Jena Antrip
Title: Financial Specialist, SR
Email: jena.antrim@tax.idaho.gov
Phone: (208) 332-6665

State Treasurer's Office

Finding Number 2023-109: The investments closing package submitted by the Office for the statewide ACFR was understated for restricted investments by $87,710,000.

Related to Prior Finding: N/A

Agency's View: The Office agrees with this finding.

Corrective Action: Typically, the Treasurer's Office has the opportunity to review any discrepancies prior to the final submission to the State Controller's Office. Our current internal review process has worked well, but the Luma transition put an increased workload on staff during the period that closing packages were prepared, limiting the ability for a more thorough review before the due dates. The understated amount for restricted investments was corrected prior to issuance of the financial statements, so no additional action is necessary.

Even though this year was out of the ordinary, we will evaluate the process to determine if any improvements to the internal review for closing packages is needed.

Anticipated Corrective Action Date: This will be corrected by June 30, 2024.

Responsible for Corrective Action: Name: Laura Steffler
Title: Chief Deputy Treasurer
Email: laura.steffler@sto.idaho.gov
Phone: (208) 332-2999

STATE OF IDAHO
SINGLE AUDIT REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

MANAGEMENT'S FEDERAL FINDINGS
CORRECTIVE ACTION PLAN

STATE OF IDAHO
CONTROLLER'S OFFICE
BRANDON D WOOLF

Corrective Action Plan - Single Audit
For the fiscal year ended June 30, 2023

Idaho Department of Administration

Finding Number 2023-201: The Coronavirus State and Local Fiscal Recover Fund (CSLFRF) was understated by $18 million on the Schedule of Expenditures of Federal Awards (SEFA) closing Package.

Federal Programs: 21.027 – Coronavirus State and Local Fiscal Recovery Fund

Related to Prior Finding: N/A

Agency's view: The Department of Administrations agrees that the SEFA was prepared using procedures similar to prior years, which failed to capture the expenditures related to the CSLFRF as those funds were deposited into a non-federal fund as directed by the legislature in HB752.

Corrective Action: Prior to the issuance of this memo, the Department transferred the remaining $6,969,325.15 of CSLFRF funds into a separate reporting program. The Department will process quarterly reconciliations utilizing the quarterly reports from the insurance carrier. These transactions will then be queried each year, similar to other federal funding sources, and reported on the SEFA. Future federal awards will be deposited into a federal funding source or clearly delineated from non-federal funding sources to ensure proper reporting on the SEFA.

Anticipated Corrective Action Date: Corrective actions will be implemented for fiscal year 2024 reporting.

Responsible for Corrective Action: Bailey Peterson, Chief Financial Officer
Bailey.Peterson@adm.idaho.gov
208-332-1815

Idaho Office of the State Controller

Finding Number 2023-202: Closing package submissions and revisions completed prior to the draft of the Schedule of Expenditures of Federal Awards (SEFA) being submitted for audit were not included in the schedule resulting in misstatements.

Federal Programs: 21.027 – Coronavirus State and Local Fiscal Recovery Fund; 93.778 – Medical Assistance Program; 93.767 – Children's Health Insurance Program

Related to Prior Finding: N/A

Agency's view: The Office agrees with this finding.

Corrective Action: An agency submitted a revised SEFA template in November 2023. We inadvertently excluded those revisions from the draft of the SEFA provided for audit. To prevent this error from happening again, we will document each agency that submits a revised SEFA template(s) on our SEFA review checklist. This will require the preparer and reviewer(s) to verify and sign off on changes made to the SEFA master file.

Anticipated Corrective Action Date: Errors identified were corrected before issuance of the Single Audit report. Corrective actions will be implemented for fiscal year 2024 reporting.

Responsible for Corrective Action: Tiffini LeJeune, Reporting and Review Bureau Chief
TLeJeune@sco.idaho.gov
208-334-3100

Idaho Department of Correction

Finding Number 2023-203: The Schedule of Expenditures of Federal Awards (SEFA) closing package originally submitted to the Office of the State Controller did not properly report expenditures for the Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) program.

Federal Programs: 21.027 – Coronavirus State and Local Fiscal Recovery Fund

Related to Prior Finding: N/A

Agency's view: The Department agrees with this finding.

Corrective Action: After management review the department will improve training and process review of preparation of the SEFA closing package to ensure all amounts are correctly reported. This lack of understanding of the SEFA was due to staff turnover and lack of subject matter experts regarding the SEFA for Fiscal Year 2023.

The agency will implement the following to fix this issue:

a) Financial Manager (or delegate) expenditure detail report shall include grant fund 344 (ARPA grants), 348 fund (grants), and any additional funds designated by the legislature or agency, for the specific purpose of tracking federal grant funding.
b) Once prepared by the Financial Manager (or delegate), review of the SEFA by the Financial Officer for completeness, verifying all required grant federal funds appropriated to the agency are included on the SEFA closing package.
c) Financial Manager and Financial Officer meet to review the SEFA for agreement of grant expenditure amounts reported on the SEFA.

Anticipated Corrective Action Date: Corrective actions will be implemented for fiscal year 2024 reporting.

Responsible for Corrective Action: Cindy, McMackin, Financial Manager
CMcmacki@idoc.idaho.gov
208-658-2000

Idaho State Board of Education

Finding Number 2023-204: The Schedule of Expenditures of Federal Awards (SEFA) closing package understated the Education Stabilization Fund - Governor's Emergency Education Relief (GEER II) by $1,039,753 and overstated the Education Stabilization Fund – Emergency Assistance to Non-Public Schools (EANS) program by the same amount.

Federal Programs: 84.425C – Governor's Emergency Education Relief; 84.425R - Emergency Assistance for Non-Public Schools

Related to Prior Finding: 2021-202

Agency's view: The Board agrees with this finding.

Corrective Action: The corrective action is to reclass any GEER II Project transactions in FY 2024 to EANS/GEER II Project. That will ensure there are no GEER II transactions in FY 2024 that would need to be adjusted. This was done on March 21, 2024.

Anticipated Corrective Action Date: March 21, 2024

Responsible for Corrective Action: Patrick Coulson, Chief Financial Officer
Patrick.coulson@OSBE.idaho.gov
208-332-1563

Idaho Department of Environmental Quality

Finding Number 2023-205: The Department understated total federal expenditures on the Schedule of Expenditures of Federal Awards (SEFA) closing package by $24,824,862 and understated amounts passed through to subrecipients by $39,901,202.

Federal Programs: 21.027 - Coronavirus State and Local Fiscal Recovery Funds; 66.458 - Clean Water State Revolving Fund; 66.468 - Drinking Water State Revolving Fund; 66.419 - Water Pollution Control State, Interstate, and Tribal Program Support; 66.432 - State Public Water System Supervision; 66.460 - Nonpoint Source Implementation Grants; 66.708 - Pollution Prevention Grants; 66.040 - Diesel Emissions Reduction Act State Grants; 81.214 - Environmental Monitoring/Cleanup, Cultural and Resource Management, Emergency Response Research, Outreach, Technical Analysis

Related to Prior Finding: N/A

Agency's view: The Department agrees with this finding.

Corrective Action:

1. **Identify Root Causes:**
   With the aid of LSO, we identified errors and are acting on a thorough analysis to pinpoint the root causes of the reporting errors on the Schedule of Expenditures of Federal Awards (SEFA) identified during the recent audit. As noted by the auditors, the errors were due to significant turnover-related knowledge gaps, staff being tasked with unfamiliar processes, lack of written desk manuals and other documentation, and issues with maintaining the internal reporting tool. This identification was completed by Rob Sepich, Chief Financial Officer, and Jeri Ann Fogg, Accounting Supervisor, in tandem with the audit.

2. **Implement Training and Guidance:**
   DEQ will provide comprehensive training sessions for staff involved in preparing and reviewing SEFA reports, considering the high turnover rate experienced in the department. We are in the process of developing detailed guidelines and documentation outlining SEFA reporting requirements, including specific instructions on categorizing federal awards, allowable expenditures, and reporting formats, to address any knowledge gaps resulting from turnover. As part of the statewide ERP move to LUMA from STARS, staff will utilize new reporting platforms and tools in LUMA to streamline SEFA reporting processes and mitigate potential errors associated with manual data entry or outdated systems. One significant improvement over our legacy reporting will be the use of front-end splits (FES) in LUMA that will automatically split out the state match from the federal component of our expenditures at the time in which they are spent, which was not as clearly defined under STARS. The new accounting system will be clearer to auditors and staff. Rob Sepich, Chief Financial Officer will create reconciliation reports for the SEFA by June 2024, with SEFA reporting compiled and completed in July 2024.

3. **Enhance Internal Controls:**
   Moving forward we will significantly strengthen internal controls and review processes to detect and prevent reporting errors in the future, particularly considering the turnover challenges. We anticipate requiring multiple additional review checkpoints and validation procedures within the new reporting platforms to verify the accuracy and completeness of SEFA data that will be reconciled before submission. We will also assign clear responsibilities and designate individuals responsible for overseeing SEFA reporting activities, ensuring continuity and consistency despite turnover and reduce the amount of unfamiliar work given to staff. This will include a review by Doug McRoberts, Grants Manager, Heather Hodges, Principal Budget Analyst, Rob Sepich, Chief Financial Officer, and Jeri Ann Fogg, Accounting Manager. Lastly, we are in the process of developing improved documentation on the new LUMA processes for our day-to-day operations so that we have up to date and accurate desk manuals should we experience additional turnover. These desk manuals are expected to be completed in June 2024.

4. **Conduct Comprehensive Review:**
   As part of the audit, we conducted a comprehensive review of the FY 2023 SEFA reports to identify any additional errors or discrepancies that may have been overlooked, considering the turnover-related knowledge gaps. The department was able to resubmit our SEFA closing package, including the list of sub recipients to the State Controller's Office and LSO Auditors on March 9th, 2024 due to the efforts of Jeri Ann Fogg, Accounting Manager and Rob Sepich, Chief Financial Officer.

5. **Continuous Monitoring and Improvement:**
   We will establish a process for ongoing monitoring and periodic review of SEFA reporting

activities, leveraging the capabilities of the new reporting platforms in LUMA to streamline processes and enhance accuracy. This will bring us closer to the work processes that other agencies do through the statewide reporting systems and reduce our dependency on reporting tools developed in-house that are unfamiliar to other state agencies. This should reduce the risk of losing key institutional knowledge during turnover and will make it easier for an employee with experience from another agency to be able to quickly pick up our reporting needs.
To foster a culture of continuous improvement and knowledge sharing within the department, we will have additional meetings to encourage collaboration and communication to address SEFA reporting and ensure that we are not missing key input from staff.

Anticipated Corrective Action Date: See corrective action above for timeline.

Responsible for Corrective Action: Rob Sepich, Chief Financial Officer
Rob.Sepich@deq.idaho.gov
208-373-0292

Finding Number 2023-206: The Department did not fully disclose required information to subrecipients, document subrecipient risk assessments, or ensure subrecipient audits were received for the Coronavirus State and Local Fiscal Recovery Fund.

Federal Programs: 21.027 – Coronavirus State and Local Fiscal Recovery Fund

Related to Prior Finding: N/A

Agency's view: The Department agrees with this finding.

Corrective Action: The department agrees with the lack of certain required subrecipient information datapoints for the CSLFRF projects.

- The department had an imperfect implementation of the initial subawards for CSLFRF documentation for subrecipients. Our general practice includes providing the identified federal award identification datapoints; however, this was not the case with the initial CSLFRF subrecipients. As an example, the period of performance was truncated to ensure that we were able to meet the aggressive timeline outlined in the American Rescue Plan Act; we will include both the true period of performance as set forth in the grant and the budgetary period in which the subrecipient will need to complete their work. Carrie Champlin, Contracts Manager, and Rob Sepich, Chief Financial Officer will implement these changes by April 15, 2024.

- The department had processes for evaluating the risk of subrecipients, however it could be improved and made clearer for auditors and we will implement a process used by other agencies to memorialize the risk factors outside of email in a clear and concise manner. Additionally, the department is currently implementing a new software system, Amplifund, to aid in registering subrecipients, monitoring them, and closing out subawards. This system will include all of the relevant information necessary for both the subrecipient and the department in one location and will provide consistency across the department. Amplifund implementation is currently underway and will be used department- wide by August 2024. Doug McRoberts, Grants Manager, Jeri Ann Fogg, Accounting Manager, Carrie Champlin, Contracts Manager are working on the integration of Amplifund.

Anticipated Corrective Action Date: April 15, 2024

Responsible for Corrective Action: Rob Sepich, Chief Financial Officer
Rob.Sepich@deq.idaho.gov
208-373-0292

Idaho Division of Financial Management

Finding Number 2023-207: The Division overstated federal expenditures by incorrectly including $6.6 million expended under the State Small Business Credit Initiative (SSBCI) on the Schedule of Expenditures of Federal Awards (SEFA) closing package.

Federal Programs: 21.031 – State Small Business Credit Initiative

Related to Prior Finding: N/A

Agency's view: The Division agrees with this finding.

Corrective Action: The agency will implement improved training and review for the SEFA closing package prior to submission to ensure appropriate reporting of federal expenditures on the SEFA. The SSBCI funds were included in an abundance of caution to ensure reporting of all federal funds received, as it is rare that federal monies are to be excluded from the SEF A. Moving forward, preparation of the SEFA will include an analysis of all new federal awards to be included to confirm if the amounts are to be included, and a side-by-side comparison of the prospective list to the prior year report to note any differences and investigation of any that exist.

Anticipated Corrective Action Date: June 30, 2024

Responsible for Corrective Action: Michael Pearson, State Financial Officer
Michael.Pearson@dfm.idaho.gov
208-854-3072

Idaho Department of Health and Welfare

Finding Number 2023-208: The Schedule of Expenditures of Federal Awards (SEFA) closing package originally submitted to the Office of the State Controller (Office) included multiple errors.

Federal Programs:

- 10.551 - Supplemental Nutrition Assistance Program (SNAP)
- 10.561 - State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (SNAP)
- 21.027 - Coronavirus State and Local Fiscal Recovery Funds
- 93.391 - Activities to Support State, Tribal, Local and Territorial (STLT) Health Department Response to Public Health or Healthcare Crises
- 93.558 - Temporary Assistance for Needy Families (TANF)
- 93.568 - Low-Income Home Energy Assistance

93.569 – Adoption Assistance
93.575 - Child Care and Development Block Grant (CCDF
93.658 - Foster Care Title IV-E
93.777 - State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare
93.778 - Medical Assistance Program

Related to Prior Finding: 2022-211; 2021-206

Agency's view: The Department agrees with this finding.

Corrective Action: Since the implementation of LUMA, the department has been cognizant of the systematic challenges and risks and is acutely attentive to monitoring and review efforts. For example, due to LUMA, finance now has a new chart of accounts structure, meaning previously used reports for compilation of the SEFA are no longer a concern. The department held a required training on March 12-13, 2024, for all employees involved with grant administration where the determination of contractor vs. subrecipient, as well as proper account coding, were reiterated. Finance has efforts underway to strengthen compliance through report building and monthly monitoring of proper coding. The department will be moving forward with the implementation of Grant Management Software in SFY25, which finance believes will provide further assurances of data accuracy. Finance will confirm all expenditures and adjustments are completed before running reports when preparing the SFY24 and future SEFA's. This confirmation will be documented via an email to the Financial Manager of the Budget section. The email response will be retained with the SEFA preparation file for audit purposes.

Anticipated Corrective Action Date: Partial efforts already completed; full completion by June 30, 2025.

Responsible for Corrective Action:

Staci Phelan, Division Administrator
Staci.Phelan@dhw.idaho.gov
208-334-0632

Kelly Combs, Bureau Chief, Compliance
Kelly.Combs@dhw.idaho.gov
208-334-5814

Finding Number 2023-209: Monthly cost allocation statistics, used to allocate indirect costs to federal grants, were not reviewed and approved by the Department.

Federal Programs:

10.551 - Supplemental Nutrition Assistance Program (SNAP)
10.561 - State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (SNAP)
21.027 - Coronavirus State and Local Fiscal Recovery Funds
93.391 - Activities to Support State, Tribal, Local and Territorial (STLT) Health Department Response to Public Health or Healthcare Crises
93.558 - Temporary Assistance for Needy Families (TANF)

93.568 - Low-Income Home Energy Assistance
93.569 – Adoption Assistance
93.575 - Child Care and Development Block Grant (CCDF
93.658 - Foster Care Title IV-E
93.777 - State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare
93.778 - Medical Assistance Program

Related to Prior Finding: N/A

Agency's view: The Department agrees with this finding.

Corrective Action: With the implementation of Luma and the interfaced cost allocation module, finance has spent a significant amount of time assessing the best practices for cost allocation processing steps. Since going live on 7/1/23, each month, finance has reviewed, revised, and refined process steps. The department's budget analysts who hold oversight of some cost allocation processes, use a spreadsheet to track processing. Finance has added a step in the process to ensure that finance reviews the cost allocation SharePoint site for review and signature of each supervisor responsible for each statistic.

Anticipated Corrective Action Date: March 1, 2024

Responsible for Corrective Action:

Staci Phelan, Division Administrator
Staci.Phelan@dhw.idaho.gov
208-334-0632

Kelly Combs, Bureau Chief, Compliance
Kelly.Combs@dhw.idaho.gov
208-334-5814

Finding Number 2023-210: Low-Income Home Energy Assistance Program (LIHEAP) performance and special reports did not include a review for accuracy and compliance prior to submission.

Federal Programs: 93.568 – Low-Income Home Energy Assistance

Related to Prior Finding: N/A

Agency's view: The Department agrees with this finding.

Corrective Action: The Program will develop a process to work with the Information Management and Analysis Team (IMAT) within the division to compile the data for the Low-Income Home Energy Assistance Program (LIHEAP) reports. Program will review the completed reports for accuracy. All reports will then be submitted to the Bureau Chief, as a second review of accuracy, prior to submission to Federal Partners. Documentation will be maintained to support the preparation, review, and approval steps. The process outlines a timeline to have reports prepared and reviewed ahead of the established deadline. Program will communicate with our Federal Partner if circumstances arise that would prevent a report from being submitted by an established deadline to receive an extension.

Anticipated Corrective Action Date: The Program has already implemented the involvement of IMAT and secondary review and approval processes. Program will write a process document to support the corrective action. The documented process will be in place by April 15th, 2024.

Responsible for Corrective Action: Shane Leach, Division Administrator
Shane.Leach@dhw.idaho.gov
208-859-1033

Kelly Combs, Bureau Chief, Compliance
Kelly.Combs@dhw.idaho.gov
208-334-5814

Finding Number 2023-211: The review and approval of the annual updates to the Low-Income Home Energy Assistance Program (LIHEAP) benefits matrix were not documented.

Federal Programs: 93.568 – Low-Income Home Energy Assistance

Related to Prior Finding: N/A

Agency's view: The Department agrees with this finding.

Corrective Action: Testing of the updated benefits matrix will be completed by the Program annually, and the results will be documented using an established scenario testing script. Results of the testing will be documented and submitted to the Bureau Chief, as a second review of accuracy and compliance, prior to moving the updated matrix into the production environment. Documentation will be maintained to support the review and approval.

Anticipated Corrective Action Date: The Program will write a process document to support this corrective action and will implement this process prior to the start of the new LIHEAP season beginning 10/1/2024. Program will have a process document in place by 9/30/24.

Responsible for Corrective Action: Shane Leach, Division Administrator
Shane.Leach@dhw.idaho.gov
208-859-1033

Kelly Combs, Bureau Chief, Compliance
Kelly.Combs@dhw.idaho.gov
208-334-5814

Finding Number 2023-212: The review of the Low-Income Home Energy Assistance Program (LIHEAP) earmarking compliance requirements was not documented.

Federal Programs: 93.568 – Low-Income Home Energy Assistance

Related to Prior Finding: N/A

Agency's view: The Department agrees with this finding.

Corrective Action: The Program will document the current process regarding the preparation, review, and approval of the Low-Income Home Energy Assistance Program (LIHEAP) budget that includes maintaining the documentation of the earmarking reviews that are being completed. The program will prepare the Low-Income Home Energy Assistance Program (LIHEAP) budget. This budget will be submitted to the Bureau Chief, as a second review of accuracy and compliance, to include review of earmarking limits, prior to routing the Annual State Plan for review and submittal or the allocation of any funding. Documentation will be maintained to support the review and approval.

Anticipated Corrective Action Date: The Program will write a process document to support this corrective action and will implement this process prior to the start of the new LIHEAP season beginning 10/1/2024. Program will have a process document in place by 9/30/24.

Responsible for Corrective Action:

Shane Leach, Division Administrator
Shane.Leach@dhw.idaho.gov
208-859-1033

Kelly Combs, Bureau Chief, Compliance
Kelly.Combs@dhw.idaho.gov
208-334-5814

Finding Number 2023-213: The Department erroneously determined that two recipients of Temporary Assistance for Needy Families (TANF) funding were contractors instead of subrecipients resulting in noncompliance with the subrecipient monitoring requirements.

Federal Programs: 93.558 – Temporary Assistance for Needy Families

Related to Prior Finding: N/A

Agency's view: The Department agrees with this finding.

Corrective Action: The Department has revised our training of personnel involved in subrecipient and contractor determinations. These contract managers and monitors completed grant training on March 12th-13th, 2024 which included sections about subrecipient and contractor determinations, risk assessment and documentation. All newly hired employees will be trained beginning April 2024 with an on-line module.

For the impacted vendor, an updated Risk Assessment was completed and submitted to LSO. Additionally, the Department has started the work to effectively change the designation of the vendor and ensure all required information is provided to this subrecipient. This process will be completed by April 30th, 2024. The Department will develop internal control procedures to ensure all required information is provided to the subrecipients at the time of the subawards. These updated internal control procedures will be completed by June 30th, 2024.

Anticipated Corrective Action Date: June 30, 2024

Responsible for Corrective Action: Cameron Gilliland, Division Administrator
Cameron.Gilliland@dhw.idaho.gov
208-334-0641

Kelly Combs, Bureau Chief, Compliance
Kelly.Combs@dhw.idaho.gov
208-334-5814

Finding Number 2023-214: The Department did not maintain sufficient documentation to support eligibility award decisions for the Community Partners Grants within the Child Care and Development Fund (CCDF) program.

Federal Programs: 93.575 – Child Care and Development Block Grant; 93.596 – Child Care Mandatory and Matching Funds of the Child Care and Development Fund

Related to Prior Finding: N/A

Agency's view: The Department agrees with this finding.

Corrective Action: The division will:

- All employees who administer grants will be required to complete training related to awarding grants, to include components on appropriate internal controls, identifying required grant elements, detailing the grant process, and outlining record retention requirements. All current employees have been trained as of March 2024.

- The Division will work closely with the Division of Management Services to support the development and implementation of updated record retention policies and processes which will result in relevant documents being centrally retained. Estimated completion date December 31, 2024. Between now and when that central repository is available, individual rubrics and their supporting documents related to grant awards will be retained.

- All employees will complete an annual employee conflict-of-interest disclosure and recertification process. Current completion of the new employee conflict of interest from will be completed by April 2024.

Anticipated Corrective Action Date: December 2024

Responsible for Corrective Action: Shane Leach, Division Administrator
Shane.Leach@dhw.idaho.gov
208-859-1033

Kelly Combs, Bureau Chief, Compliance
Kelly.Combs@dhw.idaho.gov
208-334-5814

Finding Number 2023-215: The Department's review of child care providers health and safety inspections for the Child Care and Development Fund (CCDF) were not completed timely.

Federal Programs: 93.575 – Child Care and Development Block Grant; 93.596 – Child Care Mandatory and Matching Funds of the Child Care and Development Fund

Related to Prior Finding: N/A

Agency's view: The Department agrees with this finding.

Corrective Action: The division will complete reviews of the health and safety inspections in a timely manner. The division will review and update the existing process document to support this corrective action plan defining timeframes for completion of these reviews so that there is appropriate time to remediate issues raised during the inspections and ensure compliance. The updated process document will be in place and appropriate staff will implement by 9/30/2024.

Anticipated Corrective Action Date: December 2024

Responsible for Corrective Action:	Shane Leach, Division Administrator Shane.Leach@dhw.idaho.gov 208-859-1033
	Kelly Combs, Bureau Chief, Compliance Kelly.Combs@dhw.idaho.gov 208-334-5814

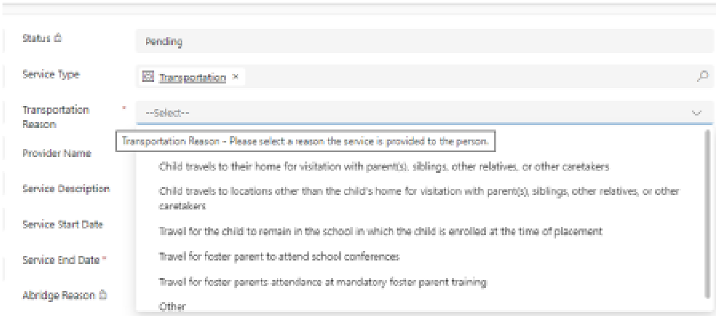
Finding Number 2023-216: The Department did not have appropriate documentation to support allowability of transactions for the Foster Care Title IV-E program.

Federal Programs: 93.658 – Foster Care Title IV-E

Related to Prior Finding: N/A

Agency's view: The Department agrees with this finding.

Corrective Action: A new feature was added to ESPI on 1/9/24 to record the reason (purpose) for certain service types, including transportation. The system is programmed to disallow Title IV-E if the reason listed does not meet IV-E eligibility criteria (see image below). An additional control will be added to the system to have the same control procedure used for a medical service type and education service type. Further development is underway for additional control procedures and should be completed by April of 2025.



P-card transactions do not process through ESPI. Quarterly reports will be obtained to review any P-card transactions that utilized Title IV-E to confirm appropriate documentation is on record. This will be completed by April 30, 2024.

Anticipated Corrective Action Date: April 30, 2024

Responsible for Corrective Action: Cameron Gilliland, Division Administrator
Cameron.Gilliland@dhw.idaho.gov
208-334-0641

Kelly Combs, Bureau Chief, Compliance
Kelly.Combs@dhw.idaho.gov
208-334-5814

Finding Number 2023-217: The Department does not have documented internal controls for adjustments processed to the Foster Care -Title IV—E program.

Federal Programs: 93.658 – Foster Care Title IV-E

Related to Prior Finding: N/A

Agency's view: The Office agrees with this finding.

Corrective Action: The Department will continue to record adjustment activity through Help Desk tickets, SharePoint documentation, and ESPI. The Department will ensure improved visibility to the adjustment and approval process and documentation by ensuring all roles who need access (including auditors), have access to all relevant systems and storage locations such as access to SharePoint and Help Desk tickets. This step will be completed by April 30, 2024.

Anticipated Corrective Action Date: April 30, 2024

Responsible for Corrective Action: Cameron Gilliland, Division Administrator
Cameron.Gilliland@dhw.idaho.gov
208-334-0641

Kelly Combs, Bureau Chief, Compliance
Kelly.Combs@dhw.idaho.gov

208-334-5814

Finding Number 2023-218: The Department failed to provide necessary documentation to support the eligibility determination for two foster care providers within the Foster Care -Title IV—E program.

Federal Programs: 93.658 – Foster Care Title IV-E

Related to Prior Finding: N/A

Agency's view: The Department agrees with this finding.

Corrective Action: The department agrees with the finding related to the critical importance of obtaining and maintaining documentation for all necessary background checks. Although the department was ultimately able to verify background checks were completed, we agree that we were unable to readily pull the needed documentation on these in a timely manner. To correct the issue, the department will add an additional point of verification that the Enhanced Criminal History Background Check clearance letter from the Background Check Unit's system is uploaded to eCabinet, by having supervisors view the document within eCabinet prior to approving the initial foster care license. Supervisors will also confirm that all ICPC home studies address results of background checks for all adults in the home and any additional potential caregivers. This will be completed April 2024.

Anticipated Corrective Action Date: April 2024

Responsible for Corrective Action:

Cameron Gilliland, Division Administrator
Cameron.Gilliland@dhw.idaho.gov
208-334-0641

Kelly Combs, Bureau Chief, Compliance
Kelly.Combs@dhw.idaho.gov
208-334-5814

Finding Number 2023-219: The level of effort spending requirements for the Adoption Assistance Title IV-E program were not met.

Federal Programs: 93.659 – Adoption Assistance

Related to Prior Finding: N/A

Agency's view: The Department agrees with this finding.

Corrective Action: Beginning 07/01/2023, FACS implemented a monthly review of post-permanency services invoices and payments to support correct usage of adoption assistance funds including 30% spending of adoption savings for prevention. Progress toward fully effective integration of this process has been hindered by limited access to timely and accurate budget data from LUMA. FACS will refine the monthly review process to ensure current and accurate tracking and use of funds. This will be completed July 2024.

Anticipated Corrective Action Date: July 2024

Responsible for Corrective Action: Cameron Gilliland, Division Administrator
Cameron.Gilliland@dhw.idaho.gov
208-334-0641

Kelly Combs, Bureau Chief, Compliance
Kelly.Combs@dhw.idaho.gov
208-334-5814

Finding Number 2023-220: The Department failed to provide necessary supporting documentation for five Adoption Assistance Title IV-E eligibility determinations.

Federal Programs: 93.659 – Adoption Assistance

Related to Prior Finding: N/A

Agency's view: The Department agrees with this finding.

Corrective Action: The department agrees with the finding related to the critical importance of obtaining and maintaining documentation for all necessary background checks. Although the department was ultimately able to verify background checks were completed, we agree that we were unable to readily pull the needed documentation on these in a timely manner. The department will assure supporting documentation for Adoption Assistance Title IV-E eligibility determinations are maintained within the electronic filing system by adding an additional verification to the current process. When a supervisor reviews a departmental adoption for finalization, they will verify that a copy of the Enhanced Criminal History Background clearance letter for all adults residing in the home is uploaded to the prospective adoptive parents' profile in eCabinet (the electronic case management system), and the signed copy of the adoption assistance agreement is uploaded to the child's profile. The application process for Adoption Assistance Title IV-E eligibility for private adoptions will be updated to include the addition of the Enhanced Criminal History Background clearance letters for all adults residing in the home to the child's eCabinet file. When a supervisor approves an adoption assistance agreement for a private adoption, they will verify a copy of the signed adoption assistance agreement is uploaded to the adoptive child's profile. This will be completed by August 2024.

Anticipated Corrective Action Date: August 2024

Responsible for Corrective Action: Cameron Gilliland, Division Administrator
Cameron.Gilliland@dhw.idaho.gov
208-334-0641

Kelly Combs, Bureau Chief, Compliance
Kelly.Combs@dhw.idaho.gov
208-334-5814

Finding Number 2023-221: The Department did not review subrecipient application information for the Coronavirus State and Local Fiscal Recovery Funds at a sufficient level to identify missing information.

Federal Programs: 21.027 – Coronavirus State and Local Fiscal Recovery Fund

Related to Prior Finding: 2022-210

Agency's view: The Department agrees with this finding.

Corrective Action: The Division of Public Health and Idaho Council on Domestic Violence and Victim Assistance (ICDVVA) will take steps to ensure new staff receive training related to awarding grants, to include components on appropriate internal controls, identifying required grant elements, detailing the grant process, and outlining record retention requirements. All current employees have been trained as of March 2024. All newly hired employees will be trained beginning April 2024.

Anticipated Corrective Action Date: April 2024

Responsible for Corrective Action:

Elke Shaw-Tulloch, Division Administrator
Division of Public Health
Elke.Shaw-Tulloch@dhw.idaho.gov
208-354-5950

Dana Wiemiller, Executive Director
ICDVVA
Dana.Wiemiller@icdv.idaho.gov
208-332-1545

Kelly Combs, Bureau Chief, Compliance
Kelly.Combs@dhw.idaho.gov
208-334-5814

Finding Number 2023-222: Supporting documentation to demonstrate the completion of subrecipient risk assessments for the Activities to Support State, Tribal, Local and Territorial (STLT) Health Department Response to Public Health or Healthcare Crises program was not available for review.

Federal Programs: 93.391 - Activities to Support State, Tribal, Local and Territorial (STLT) Health Department Response to Public Health or Healthcare Crises

Related to Prior Finding: N/A

Agency's view: The Department agrees with this finding.

Corrective Action: The division will ensure new staff receive training related to awarding grants, to include components on appropriate internal controls, identifying required grant elements, detailing the grant process, and outlining record retention requirements. All current employees have been trained as of March 2024. All newly hired employees will be trained beginning April 2024.

Anticipated Corrective Action Date: April 2024

Responsible for Corrective Action: Elke Shaw-Tulloch, Division Administrator
Division of Public Health
Elke.Shaw-Tulloch@dhw.idaho.gov
208-354-5950

Kelly Combs, Bureau Chief, Compliance
Kelly.Combs@dhw.idaho.gov
208-334-5814

Finding Number 2023-223: Managed Care providers lacked documentation to support continued eligibility within the Medicaid Program.

Federal Programs: 93.777 - State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare; 93.778 Medical Assistance Program

Related to Prior Finding: N/A

Agency's view: The Department agrees with this finding.

Corrective Action: The 21st Century Cures Act requires all states to enroll both fee-for-service and managed care providers. Idaho Medicaid is currently out of compliance with this requirement for most of the providers within managed care contractor networks. The state is also working to come into compliance with a requirement in the Affordable Care Act to revalidate all enrolled providers at least every 5 years. The Division has begun the systems work necessary to come into compliance with both of these requirements and anticipates working through enrollment and revalidation activities into CY2025. Once completed, the Division will have an accurate and complete provider file that will be shared with contracted managed care plans to support their contracting efforts. Any providers who contract with the managed care plans will be required to be fully enrolled and credentialed with Idaho Medicaid before rendering services and billing.

Pursuant to the Consolidated Appropriations Act of 2023, states are required by July 2025 to have a searchable and regularly updated provider directory for both managed care plans and fee-for-service programs. Idaho Medicaid is working to develop processes to validate directories and ensure that providers are providing updates to their information as necessary. Through this effort, Idaho Medicaid will further bolster internal processes and controls to ensure accurate provider network information is shared with Medicaid participants and maintained within our systems.

Anticipated Corrective Action Date: July 2025

Responsible for Corrective Action: Juliet Charron, Division Administrator
Juliet.Charron@dhw.idaho.gov
208-364-1831

Kelly Combs, Bureau Chief, Compliance
Kelly.Combs@dhw.idaho.gov
208-334-5814

Finding Number 2023-224: The required audited financial reports were not collected as required to ensure compliance with the Managed Care Organization contracts.

Federal Programs: 93.777 - State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare; 93.778 Medical Assistance Program

Related to Prior Finding: N/A

Agency's view: The Department agrees with this finding.

Corrective Action: The Division will amend all current managed care contracts to include the requirement to submit an audited financial report annually. This contract language will also be incorporated into all future Medicaid managed care procurements. The Division will also review and confirm all required contract elements outlined in 42 CFR 438.3 are clearly outlined in Medicaid managed care contracts. Lastly, the Division intends to coordinate with the Department of Insurance to learn more about their review process of audited financial statements and determine if there is an opportunity to coordinate oversight efforts for Medicaid managed care contracts going forward.

Anticipated Corrective Action Date: September 2024

Responsible for Corrective Action:

Juliet Charron, Division Administrator
Juliet.Charron@dhw.idaho.gov
208-364-1831

Kelly Combs, Bureau Chief, Compliance
Kelly.Combs@dhw.idaho.gov
208-334-5814

Idaho Department of Parks and Recreation

Finding Number 2023-225: Review of federal suspension and debarment status is not adequately performed or documented to demonstrate compliance with the federal requirements for the Coronavirus State and Local Fiscal Recovery Funds program.

Federal Programs: 21.027 – Coronavirus State and Local Fiscal Recovery Fund

Related to Prior Finding: N/A

Agency's view: The Department agrees with this finding.

Corrective Action: Our Development Bureau has revised their "Notice of Intent to Award" letter to include the collection of the Federally issued Unique Entity ID (UEI) for all projects funded with Federal funds. The UEI information will be used to check the proposed contractor's exclusion status on the System for Award Management (SAM.gov) website and a printed report, or a printed screen shot of the exclusion status will be preserved prior to issuing the contract.

Anticipated Corrective Action Date: March 15, 2024

Responsible for Corrective Action: Steve Martin, Financial Officer
Steve.Martin@idpr.idaho.gov
208-514-2460

Idaho Department of Transportation

Finding Number 2023-226: The Department did not develop and execute a Value Engineering work plan in compliance with the regulations for the federal Highway Planning and Construction grant.

Federal Programs: 20.205 – Highway Planning and Construction Grant

Related to Prior Finding: N/A

Agency's view: The Department agrees with this finding.

Corrective Action: ITD will develop a new standard operating procedure (SOP) to follow to ensure that the Districts develop an Annual Value Engineering Work Plan and that the Statewide Work Plan is compiled annually by the Headquarters Value Engineering Coordinator. This SOP will be developed in collaboration with FHWA staff to ensure 2 CFR 200.303 and 23 CFR Part 627 compliance. The SOP will include details as to who, what, where and when the specific tasks will occur so to provide clarity and control with regard to developing the work plan as well as monitoring, assessing and reporting on the Departments Value Engineering Program.

Anticipated Corrective Action Date: The new SOP will be developed prior to FFY 2025, and statewide outreach and education will follow shortly thereafter.

Responsible for Corrective Action: Monica Crider, PE, State Design Engineer
Monica.Crider@itd.idaho.gov
208-334-8502

STATE OF IDAHO
SINGLE AUDIT REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

SCHEDULE OF BASIC FINANCIAL STATEMENTS PRIOR FINDINGS

STATE OF IDAHO
SCHEDULE OF BASIC FINANCIAL STATEMENTS PRIOR FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

STATE AGENCY		PAGE
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2022-101	The Office's internal review process did not prevent or detect misstatements in the statewide ACFR submitted to the auditors.	110
2022-102	The Office's internal review procedures did not prevent or detect the understatement of Unrestricted Net Position and the overstatement of Net Position-Restricted for Other Purposes on the Component Unit Statement of Net Position.	111
STATE DEPARTMENT OF EDUCATION		
2022-103	The Department is not properly monitoring data that supports foundation payments made to school districts and charter schools.	111
DEPARTMENT OF HEALTH AND WELFARE		
2022-104	The Department's internal review process did not prevent or detect errors in the Accounts Receivable closing package for the statewide ACFR.	112
IDAHO STATE TAX COMMISSION		
2022-105	The Commission failed to report the Idaho Tax Rebate Fund restricted cash balance of $144.8 million and the related accounts payable liability.	112
2022-106	Documentation of internal controls is not present due to lack of control process for unscheduled sales tax distribution.	113
IDAHO TRANSPORTATION DEPARTMENT		
2022-107	The Department's internal control procedures did not detect or prevent errors in reporting capital assets.	114

STATE OF IDAHO
SINGLE AUDIT REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

SCHEDULE OF FEDERAL PRIOR FINDINGS AND QUESTIONED COSTS

STATE OF IDAHO
SCHEDULE OF FEDERAL PRIOR FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

STATE AGENCY		FEDERAL AGENCY	PAGE
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2022-201	The Commission did not complete the required Federal Financial SF-425 Report for the Aging Cluster Grant program in a timely manner.	Health and Human Services	115
2022-202	The Commission did not complete required reports for the Federal Funding Accountability and Transparency Act (FFATA).	Health and Human Services	115
OFFICE OF THE STATE CONTROLLER			
2022-203	Errors in the elimination process for federal grants between State agencies resulted in misstatements to the Schedule of Expenditures of Federal Awards (SEFA) totaling $14,656,928 for direct awards and $9,064,632 provided to subrecipients.	Department of Treasury Department of Education	116
2022-204	COVID-19 funds in the amount of $49,471,828 were not properly identified on the statewide Schedule of Expenditures of Federal Awards (SEFA), as required.	Health and Human Services Department of Agriculture Department of Education Department of Veterans Affairs	116
STATE DEPARTMENT OF EDUCATION			
2022-205	An expenditure was made by the Department for unallowable activities from the Elementary and Secondary School Emergency Relief (ESSER) program.	Department of Education	116
2022-206	The Department did not complete required subrecipient monitoring of the Elementary and Secondary School Emergency Relief (ESSER) Fund of the Education Stabilization Fund.	Department of Education	117
IDAHO DEPARTMENT OF FISH AND GAME			
2022-207	The amount reported as passed through to subrecipients on the Schedule of Expenditures of Federal Awards (SEFA) closing package was overstated by $331,500.	Department of the Interior	117
IDAHO DEPARTMENT OF HEALTH AND WELFARE			
2022-208	State Opioid Response program performance progress reports did not have documentation to support completion of a review for accuracy and compliance prior to submission.	Health and Human Services	117
2022-209	An annual physical inventory was not completed for all storage facilities used by subdistributing agencies for the Emergency Food Assistance Program as required by federal guidance.	Department of Agriculture	118

STATE AGENCY		FEDERAL AGENCY	PAGE
2022-210	The Department did not review subrecipient application information for Coronavirus State and Local Fiscal Recovery Funds at a sufficient level to identify missing information from required documentation.	Department of Treasury	118
2022-211	The Schedule of Expenditures of Federal Awards (SEFA) closing package originally submitted to the Office of the State Controller did not properly identify COVID-19 Emergency Acts expenditures for multiple programs.	Health and Human Services Department of Agriculture Department of Education	119
2022-212	The Department did not maintain consistent operation of controls and compliance with Electronic Benefit Transfer (EBT) Card Security procedures for the Supplemental Nutrition Assistance Program (SNAP).	Department of Agriculture	120
STATE BOARD OF EDUCATION			
2021-202	The Board underreported federal expenditures by $11,316,783 across three federal programs when completing the Schedule of Expenditures of Federal Awards (SEFA).	Department of Treasury Department of Education	120
STATE DEPARTMENT OF EDUCATION			
2021-204	The Department did not complete subrecipient monitoring of the Elementary and Secondary School Emergency Relief (ESSER) Fund.	Department of Education	121
IDAHO DEPARTMENT OF HEALTH AND WELFARE			
2021-206	The original Schedule of Expenditures of Federal Awards submitted to the Office of the State Controller reported a total of $104.9 million to an incorrect Assistance Listing number and understatements totaling $71 million of pass-through amounts to subrecipients.	Department of Treasury Department of Homeland Security	121
2021-210	The Department did not maintain consistent operation of controls and compliance with Electronic Benefit Transfer (EBT) card security procedures for the Supplemental Nutrition Assistance Program (SNAP).	Department of Agriculture	122
IDAHO TRANSPORTATION DEPARTMENT			
2021-217	The salaries and benefits costs for employees working on multiple federal grants are not supported by personnel activity reports or another approved system.	Department of Transportation	122
IDAHO DIVISION OF CAREER AND TECHNICAL EDUCATION			
2020-203	The Division does not perform subrecipient risk assessments or monitor subrecipient activities as required for the Career and Technical Education (Perkins V) grant.	Department of Education	122

STATE OF IDAHO
SINGLE AUDIT REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

MANAGEMENT'S FOLLOW-UP FOR BASIC FINANCIAL STATEMENTS PRIOR FINDINGS

Prior Findings Follow-up - ACFR
For the Fiscal Year Ended June 30, 2023

Office of the State Controller

Finding Number 2022-101: The Office's internal review process did not prevent or detect misstatements in the statewide ACFR submitted to the auditors.

Related to Prior Finding: N/A

Current Status: Not Corrected

Reason for Recurrence: Although steps were taken to address the finding, errors of a similar nature were identified during the FY 2023. This finding relates to current year finding 2023-103 on the corrective action plan.

Planned Corrective Action: The State Controller's Office acknowledges the misstatements and presentation errors identified by the auditors. Most errors were corrected prior to the issuance of the financial statements. The office will continue to evaluate and make improvements to the internal review procedures along with improved analysis of the trends from one year to another. We will work with entities that we rely on for information to provide updated and correct information, including agencies that provide closing packages as well as audited financial statements. We will update coding information sheets to correct any identified errors. With new guidance being implemented we will do an extra review to validate all information required by guidance is incorporated. We will adjust internal deadlines to provide more time for thorough reviews.

The office will continue to communicate with component units to receive correct and timely information prior to the first draft.

Partial Corrective Action Taken: More attention to reviews on submitted audited financial statements was given to ensure correct amounts. As well as communication to the entities to receive the statements in a timelier manner. We updated our coding sheets to ensure that correct data was being recorded.

Responsible for Corrective Action: Name: Tiffini LeJeune
Title: Reporting and Review Bureau Chief
Phone: (208) 334-3100
email: TLejeune@sco.idaho.gov

Finding Number 2022-102: The Office's internal review procedures did not prevent or detect the understatement of Unrestricted Net Position and the overstatement of Net Position-Restricted for Other Purposes on the Component Unit Statement of Net Position.

Related to Prior Finding: N/A

Current Status: Corrected

<u>Idaho State Department of Education – Superintendent of Public Instruction</u>

Finding Number 2022-103: The Department is not properly monitoring data that supports foundation payments made to school districts and charter schools.

Related to Prior Finding: N/A

Current Status: Not Corrected

Reason for Recurrence: Due to the timing of when corrective actions began, this finding was not corrected for FY 2023. This finding relates to current year finding 2023-105 on the corrective action plan.

Planned Corrective Action: School Finance will implement a Letter of Assurance completed by school auditors acknowledging the review of auditing recommendations set forth in the annual memo. This document will outline key areas of focus and provide reassurance that these areas are being reviewed. Specifically, a question would be included asking if auditors reviewed internal controls for data submission and verified the accuracy of staffing and student information submitted by schools during the period of audit.

While public school finance staff do currently review the audits submitted, the department will develop an additional deeper review of a small sample of district/charter school audits to verify accuracy of data reporting.

Partial Corrective Action Taken:

- March 2, 2023: Notified school districts and charter schools during the annual spring training of the finding and that a Letter of Assurance would be requested from their auditor.
- May 2023: Department staff member working on this project transferred to another state agency.
- June 29, 2023: Mailed a 14 page "CPA Memo" to all auditors who had completed public school audits in the prior school year outlining major areas that each auditor should be reviewing and testing during audits of Idaho's public schools.
- June 29, 2023: That same "CPA Memo" was emailed to all auditors (whose email addresses we had) as well as all school district and charter school business managers.
- September 2023: Drafted the Letter of Assurance language.
- September 13 and 15, 2023: Had discussions with school auditors who provide services to several schools on the purpose/goal of the Letter of Assurance and received their feedback.

- September 15, 2023: Emailed Letter of Assurance to school auditors (whose addresses we had).
- September 18, 2023: Mailed the Letter of Assurance to all school auditors.
- October 4, 2023: Shared/discussed the Letter of Assurance with the school district and charter school staff attending the monthly School Business Official webinar.
    - The agenda for the meeting, which included the actual Letter of Assurance, was shared with all school business managers.
    - A recording of the webinar is available to all business managers.
- December 8, 2023: Updated the Letter of Assurance for FY 2024 to specifically include a statement that internal controls for data submission were reviewed.
- December 8, 2023: Have received the majority of the requested Letter of Assurances.

Date corrective action was/will be implemented: Ongoing

Planned or additional steps taken to address the finding:

- The Department's FY 2025 budget request included a new position (FTE) whose focus would be data validation and ensuring students are accounted for properly through working with Idaho's public schools and school auditors.
- In the spring of 2024, Department staff will request the audit workpapers from a small sample of school districts and charter schools to do a deeper review and verify that items included in the Letter of Assurance were reviewed and documented.

Anticipated implementation date: Completion upon the hiring of a new staff member who will be focused on verifying data accuracy.

Responsible for Corrective Action: Gideon Tolman, Chief Financial Officer
Phone: (208) 332-6874
email: GTolman@sde.idaho.gov

<u>Idaho Department of Health and Welfare</u>

Finding Number 2022-104: The Department's internal review process did not prevent or detect errors in the Accounts Receivable closing package for the statewide ACFR.

Related to Prior Finding: N/A

Current Status: Corrected

<u>Idaho State Tax Commission</u>

Finding Number 2022-105: The Commission failed to report the Idaho Tax Rebate Fund restricted cash balance of $144.8 million and the related accounts payable liability.

Related to Prior Finding: N/A

Current Status: Not Corrected

Reason for Recurrence: Although steps were taken to address the finding, errors of a similar nature were identified during the FY 2023 so this finding will remain open.

Planned Corrective Action: Research applicable standards and consider all reporting methods related to the changes in funding and new fund. If applicable, create a new restricted cash closing package.

Partial Corrective Action Taken:

- The agency has taken two steps to correct this issue. In June 2022, the Tax Commission created a governance committee to review new legislation. The purpose of the committee is to track legislative changes that affect the Commission's procedures and processes. The result of the actions taken by the committee was cleaner legislative implementation and all-inclusive communication regarding changes. Documentation from the committee is stored electronically and is easily accessible for the accounting department to reference while completing closing packages.

- Per LSO recommendation, the second action taken was the creation of additional reporting. The incorporation of a reporting mechanism available in the statewide accounting system assisted the commission with the creation of a new restricted closing package. The reporting tool lists all funds in the control of the commission to ensure correctness and completeness. The new closing package was completed August 9, 2023.

Responsible for Corrective Action: Lisa Kopke
Financial Executive Officer
Email: lisa.kopke@tax.idaho.gov
Phone: (208) 334-7507

Finding Number 2022-106: Documentation of internal controls is not present due to lack of control process for unscheduled sales tax distribution.

Related to Prior Finding: N/A

Current Status: Not corrected

Reason for Recurrence: Although steps were taken to address the finding, they were not implemented until FY24. This finding relates to current year finding 2023-108 on the corrective action plan.

Planned Corrective Action: Strengthen controls and create documentation of control activities performed for sales tax distributions and other unscheduled distributions. Segregation of duties are in place to assist with this process.

Partial Corrective Action Taken: The Commission has created an electronic folder called "Corrections" where backup documentation is being stored for correcting entries and unplanned distributions. Controls built into LUMA have given us the ability to maintain separation of duties by requiring one level of entry and two levels of approvals. In addition, the LUMA system creates an audit trail of activities posted in the system and the ability to attach backup documentation when appropriate.
In addition to systematic changes, we are enhancing our month-end checklist to include a review process of the backup documentation stored and we have incorporated hyperlinks in spreadsheets for unplanned distributions when appropriate.

Responsible for Corrective Action: Lisa Kopke
Financial Executive Officer
Email: lisa.kopke@tax.idaho.gov
Phone: (208) 334-7507

<u>Idaho Transportation Department</u>

Finding Number 2022-107: The Department's internal control procedures did not detect or prevent errors in reporting capital assets.

Related to Prior Finding: N/A

Current Status: Corrected

STATE OF IDAHO
SINGLE AUDIT REPORT
<u>FOR THE FISCAL YEAR ENDED JUNE 30, 2023</u>

MANAGEMENT'S FOLLOW-UP FOR
FEDERAL PRIOR FINDINGS AND QUESTIONED COSTS

STATE OF IDAHO
CONTROLLER'S OFFICE
BRANDON D WOOLF

Summary Schedule of Prior Audit Findings - Single Audit
For the fiscal year ended June 30, 2023

<u>Idaho Commission on Aging</u>

Finding Number 2022-201: The Commission did not complete the required Federal Financial SF-425 Report for the Aging Cluster Grant program in a timely manner.

Federal Programs: 93.044, 93.045, 93.053 – Aging Cluster

Related to Prior Finding: N/A

Current Status: Partially Corrected

Agency's view: The Commission agrees with this finding.

Planned Corrective Action: Actions have been taken to complete SF-425 reports as they come due for each grant. A reporting workbook has been created to track awards and reporting dates. Reporting period end dates and due dates will be added to fiscal staff calendars. We will continue to keep our federal partners appraised of our progress through completion.

Anticipated Corrective Action Date: A soft target date for completion of all past due reports is set for September 30, 2023, and a hard target date of December 31, 2023.

Reason for Recurrence: The agency developed a tracking workbook for required reports however, there were still outstanding fiscal year 2023 reports that had not been reviewed, therefore the finding has not been fully corrected.

Responsible for Corrective Action: Joe Zaher, Senior Financial Specialist
Joe.zaher@aging.idaho.gov
208-577-2864

Finding Number 2022-202: The Commission did not complete required reports for the Federal Funding Accountability and Transparency Act (FFATA).

Federal Programs: 93.044, 93.045, 93.053 – Aging Cluster

Related to Prior Finding: N/A

Current Status: Corrected

Office of the State Controller

Finding Number 2022-203: Errors in the elimination process between state agencies resulted in misstatements to the Schedule of Expenditures of Federal Awards (SEFA) totaling $14,656,928 for direct awards and $14,278,362 for expenditures provided to subrecipients.

Federal Programs:

21.027 - State and Local Fiscal Recovery Fund
84.334S - Gaining Early Awareness and Readiness for Undergraduate Programs

Related to Prior Finding: N/A

Current Status: Corrected

Finding Number 2022-204: COVID-19 funds in the amount of $196,247,971 were not properly identified on the statewide Schedule of Expenditures of Federal Awards (SEFA), as required.

Federal Programs:

10.551 - Supplemental Nutrition Assistance Program (SNAP)
10.557 - WIC Special Supplemental Nutrition Program for Women, Infants, and Children
10.561 - State Administrative Matching Grants for the Supplemental Nutrition Assistance Program
64.005- Grants to States for Construction of State Home Facilities
84.181 - Special Education - Grants for Infants and Families
84.425R - Education Stabilization Fund - Emergency Assistance for Non-Public Schools
93.391 - Activities to Support State, Tribal, Local and Territorial (STLT) Health Department Response to Public Health or Healthcare Crises
93.497 - Family Violence Prevention and Services/ Sexual Assault/Rape Crisis Services and Supports
93.590 - Community-Based Child Abuse Prevention Grants
93.958- Block Grants for Community Mental Health Services
93.977 - Sexually Transmitted Diseases (STD) Prevention and Control Grants
97.036 - Disaster Grants - Public Assistance (Presidentially Declared Disasters)

Related to Prior Finding: N/A

Current Status: Corrected

Idaho State Department of Education

Finding Number 2022-205: An expenditure was made by the Department for unallowable activities from the Elementary and Secondary School Emergency Relief (ESSER) program.

Federal Program: 84.425U - Education Stabilization Fund - ARPA ESSER III

Related to Prior Finding: N/A

Current Status: Partially Corrected

Agency's view: The Department agrees with this finding.

Corrective Action: When the Elementary and Secondary School Emergency Relief Funds {ESSER) were first awarded, it was not required that districts attach any documentation to their Grant Reimbursement Application {GRA) requests. Federal Programs will start requiring that all requests coming in through the GRA system have supporting documentation attached as of July 1, 2023, which is the beginning of our next fiscal cycle.

Anticipated Corrective Action Date: We will announce this new procedure through emails and during our state-wide Consolidated Federal and State Grant Application training in April and May 2023.

Reason for Recurrence: Steps have been taken to address the issue, but implementation occurred in fiscal year 2024, therefore the finding was not corrected for fiscal year 2023.

Responsible for Corrective Action: Gideon Tolman, Chief Financial Officer
gtolman@sde.idaho.gov
208-332-6874

Finding Number 2022-206: The Department did not complete required subrecipient monitoring of the Elementary and Secondary School Emergency Relief (ESSER) Fund of the Education Stabilization Fund.

Federal Programs:

84.425U - Education Stabilization Fund – ARPA ESSER III
84.425D - Education Stabilization Fund - Elementary and Secondary School Emergency Relief Fund
84.425W - Education Stabilization Fund - ARPA ESSER - Homeless Children and Youth
84.425R - Education Stabilization Fund - Emergency Assistance for Non-Public Schools

Related to Prior Finding: 2021-204

Current Status: Corrected

Idaho Department of Fish and Game

Finding Number 2022-207: The amount reported as passed through to subrecipients on the Schedule of Expenditures of Federal Awards (SEFA) closing package was overstated by $331,500.

Federal Programs:

15.605 - Sport Fish Restoration
15.611 - Wildlife Restoration and Basic Hunter Education

Related to Prior Finding: N/A

Current Status: Corrected

Idaho Department of Health and Welfare

Finding Number 2022-208: State Opioid Response program performance progress reports did not have documentation to support completion of a review for accuracy and compliance prior to submission.

Federal Program: 93.788 - Opioid STR

Related to Prior Finding: N/A

Current Status: Corrected

Finding Number 2022-209: An annual physical inventory was not completed for all storage facilities used by sub-distributing agencies for the Emergency Food Assistance Program as required by federal guidance.

Federal Program: 10.568 - Emergency Food Assistance Program

Related to Prior Finding: N/A

Current Status: Corrected

Finding Number 2022-210: The Department did not review subrecipient application information for Coronavirus State and Local Fiscal Recovery Funds at a sufficient level to identify missing information from required documentation.

Federal Program: 21.027 - Coronavirus State and Local Fiscal Recovery Funds

Related to Prior Finding: N/A

Current Status: Partially Corrected

Agency's view: The Department agrees with this finding.

In the rush to respond to emergency needs during the pandemic and the non-traditional format these funds were distributed, the Department neglected to properly review and hold incomplete attestation applications. The attestation application process was specifically developed under the pandemic, was a new process for staff, and was during the time period of transitioning from DUNS to Unique Identifier. Additionally, staff not typically involved in the subrecipient process approved the applications for payment and did not know to hold payments if the unique identifier field was blank. Finally, attestation documents did not route through the traditional internal processes where controls would have identified the gap. After funds were distributed and the misstep was realized, the Department verified Unique Identifiers through SAMS registration or by reaching out directly to the hospitals for documented proof. At the time of the audit, we did not have documentation of a unique identifier for two (2) hospitals out of the forty-three (43) awarded, but that information has subsequently been obtained.

The attestation process has since been discontinued. Internal controls are in place as the Department procurement policy; staff are trained to check SAM.gov on all subrecipients. Additionally, internal forms needed to execute a subrecipient agreement require documentation of the Unique Identifier. If the Unique Identifier field is left blank, the Department Contracts and Procurement Unit will not process the agreement request. This finding was a result of a new process and untrained staff pulled into the rapid dispersal of COVID funds.

Corrective Action: Corrective action is complete. Internal controls are in place as the Department procurement policy; staff are trained to check SAM.gov on all subrecipients. Additionally, internal forms needed to execute a subrecipient agreement require documentation of the Unique Identifier. If the Unique Identifier field is left blank, the Department Contracts and Procurement Unit will not process the agreement request. This finding was a result of a new process and untrained staff pulled into the rapid dispersal of COVID funds.

Anticipated Corrective Action Date: Corrective action has been taken as of April 2023

Reason for Recurrence: Although steps were taken to address the issue, the current year audit found that not all federal award information was communicated at the time of the subaward for 2 of 8 subrecipients.

Responsible for Corrective Action: Kelly Combs, Bureau Chief, Compliance
kelly.combs@dhw.idaho.gov
208-334-5814

Finding Number 2022-211: The Schedule of Expenditures of Federal Awards (SEFA) closing package originally submitted to the Office of the State Controller did not properly identify COVID-19 Emergency Acts expenditures for multiple programs.

Federal Programs:

93.391 - Activities to Support State, Tribal, Local and Territorial (STLT) Health Department Response to Public Health or Healthcare Crises

10.551 - Supplemental Nutrition Assistance Program (Snap)

84.181 - Special Education - Grants for Infants and Families

93.497 - Family Violence Prevention and Services/ Sexual Assault/Rape Crisis Services and Supports

93.590 - Community-Based Child Abuse Prevention Grants

93.958 - Block Grants for Community Mental Health Services

93.977 - Sexually Transmitted Diseases (STD) Prevention and Control Grants

10.557 - WIC Special Supplemental Nutrition Program for Women, Infants, And Children

10.561 - State Administrative Matching Grants for The Supplemental Nutrition Assistance Program

Related to Prior Finding: 2021-206

Current Status: Partially Corrected

Agency's view: The Department agrees with this finding.

The Department agrees with this finding but it is important to highlight that our internal controls and review processes are designed to detect and correct material inaccuracies or omissions of required information within the annual SEFA. As this does not constitute a material error, but rather a significant deficiency, the Department's controls for this process worked as intended.

This was a new requirement and Department personnel failed to identify a significant risk related to it and enhance the review procedures accordingly. This requirement will be monitored while we spend down the remaining COVID-19 emergency funding we have already been awarded.

Corrective Action: This corrective action plan is complete. Effective immediately, we will monitor awards for any new COVID-19 funding, but we don't believe that there will be any new

COVID-19 awards. All existing awards have been confirmed as being reported as COVID-19 funding.

Anticipated Corrective Action Date: Corrective action has been taken as of April 2023

Reason for Recurrence: Errors were identified in the current year SEFA report therefore the finding has not yet been fully corrected.

Responsible for Corrective Action: Kelly Combs, Bureau Chief, Compliance
kelly.combs@dhw.idaho.gov
208-334-5814

Finding Number 2022-212: The Department did not maintain consistent operation of controls and compliance with Electronic Benefit Transfer (EBT) Card Security procedures for the Supplemental Nutrition Assistance Program (SNAP).

Federal Programs:

10.551 - Supplemental Nutrition Assistance Program (SNAP)
10.561 - State Administrative Matching Grants for the Supplemental Nutrition Assistance Program

Related to Prior Finding: 2021-210

Current Status: Corrected

Outstanding Prior Findings

<u>Idaho State Board of Education</u>
Finding Number 2021-202: The Board underreported federal expenditures by $11,316,783 across three federal programs when completing the Schedule of Expenditures of Federal Awards (SEFA).

Federal Programs: 21.019 - Coronavirus Relief Fund, 84.425C - Governor's Emergency Education Relief Fund, 84.334S - Gaining Early Awareness and Readiness for Undergraduate Programs

Related to Prior Finding: N/A

Current Status: not corrected

Agency's view: The agency partially agrees with this finding. See corrective action below.

Planned Corrective Action: The first finding stated that we did not report $11,178,679 for the Governor's Emergency Education Relief Fund and $121,454 for the Coronavirus Relief Fund. We reported these funds in two out of three places in the Schedule of Expenditures of Federal Awards (SEFA) worksheet submitted to the State Controller's Office (SCO). The first place was on the SEFA tab in column 13, and the second place was in the Subrecipients tab, which shows each subrecipient and totals by CFDA number. The information in the Subrecipients tab was listed by CFDA. While there was no subtotal by CFDA in the Subrecipients tab, the CFDA numbers do total to the same total shown in column 13. We did not include these totals in column 18 because we assumed SCO would obtain the necessary information from the Subrecipients tab.

While we did include the necessary information for SCO to report the amount of 2021 Federal Expenditures to Subrecipients to the federal government in their statewide SEFA report, we acknowledge that we did not follow the explicit instructions of the SEFA worksheet, which would have resulted in reporting the amount of subrecipient expenditures in column 18. We will Include required dollar amounts in all three locations in the worksheet.

Anticipated Corrective Action Date: The corrective action will occur in the SEFA for FY 2022.

Reason for Recurrence: Errors were identified on the fiscal year 2023 closing package, so the finding has not been corrected.

Responsible for Corrective Action: Patrick Coulson Tolman, Chief Financial Officer
Patrick.coulson@OSBE.idaho.gov
208-332-1563

Idaho State Department of Education

Finding Number 2021-204: The Department did not complete subrecipient monitoring of the Elementary and Secondary School Emergency Relief (ESSER) Fund.

Federal Program: 84.425D - Elementary and Secondary School Emergency Relief Fund

Related to Prior Finding: N/A (see 2022-206 above)

Current Status: Corrected

Idaho Department of Health and Welfare

Finding Number 2021-206: The original Schedule of Expenditures of Federal Awards submitted to the Office of the State Controller reported a total of $104.9 million to an incorrect Assistance Listing number and understatements totaling $71 million of pass-through amounts to subrecipients.

Federal Programs:

21.019 - Coronavirus Relief Fund

97.036 - Disaster Grants - Public Assistance (Presidentially Declared Disasters)

Related to Prior Finding: N/A (See 2022-211 above)

Current Status: Partially Corrected

Agency's view: The Department agrees with the finding.

Planned Corrective Action: The Department has acknowledged the risk around this area and had already planned to implement a new process where the SEFA closing package would be prepared by the Cash and Grants Supervisor and reviewed in detail by the Financial Manager – Cash, Grants, and Revenue Operations. The Financial Executive Officer would still be responsible for final review and submission of the closing package. Unfortunately, as a result of staffing shortages and a significantly increased workload related to COVID-19 funding and reporting requirements, the Department had to make some concessions based on risks in many aspects of the business – one such concession was to not implement the more detailed review process for SFY21 SEFA preparation and rely on the previously implemented controls.

Anticipated Corrective Action Date: The Department intends to move forward with the implementation of the previously planned enhanced review procedures in the coming year.

Reason for recurrence: See 2022-211 above

Responsible for Corrective Action: Kelly Combs, Bureau Chief, Compliance
kelly.combs@dhw.idaho.gov
208-334-5814

Finding Number 2021-210: The Department did not maintain consistent operation of controls and compliance with Electronic Benefit Transfer (EBT) card security procedures for the Supplemental Nutrition Assistance Program (SNAP).

Federal Programs: 10.551 - Supplemental Nutrition Assistance Program, 10.561 - State Administrative Matching Grants for the Supplemental Nutrition Assistance Program

Current Status: Corrected

Idaho Transportation Department

Finding Number 2021-217: The salaries and benefits costs for employees working on multiple federal grants are not supported by personnel activity reports or another approved system.

Federal Programs:

20.509 - Formula Grants for Rural Areas
20.513 - Enhanced Mobility of Seniors and Individuals with Disabilities

Related to Prior Finding: N/A

Current Status: Corrected

Idaho Division of Career and Technical Education

Finding Number 2020-203: The Division does not perform subrecipient risk assessments or monitor subrecipient activities as required for the Career and Technical Education (Perkins V) grant.

Federal Program: 84.048 - Career and Technical Education - Basic Grants to States

Related to Prior Finding: N/A

Current Status: Corrected