

# State of Minnesota



## Office of the State Auditor

Julie Blaha  
State Auditor

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### **Ramsey County Saint Paul, Minnesota**

Management and Compliance Report

Year Ended December 31, 2022

## Description of the Office of the State Auditor

The Office of the State Auditor (OSA) helps ensure financial integrity and accountability in local government financial activities. The OSA is the constitutional office that oversees more than \$40 billion in annual financial activity by local governments and approximately \$20 billion of federal funding financial activity.

The OSA performs around 90 financial and compliance audits per year and has oversight responsibilities for over 3,300 local units of government throughout the state. The office maintains the following seven divisions:

- **Audit Practice:** Helps ensure fiscal integrity by conducting financial and compliance audits of local governments and the federal compliance audit of the State of Minnesota.
- **Constitution:** Connects with the public via external communication, media relations, legislative coordination, and public engagements for the State Auditor.

This division also supports the State Auditor's service on the State Executive Council, State Board of Investment, Land Exchange Board, Public Employees Retirement Association Board, Minnesota Housing Finance Agency, the Minnesota Historical Society, and the Rural Finance Authority Board.

- **Government Information:** Collects, analyzes, and shares local government financial data to assist in policy and spending decisions; administers and supports financial tools including the Small Cities and Towns Accounting System (CTAS) software and infrastructure comparison tools.
- **Legal/Special Investigations:** Provides legal analysis and counsel to the OSA and responds to outside inquiries about Minnesota local law relevant to local government finances; investigates local government financial records in response to specific allegations of theft, embezzlement, or unlawful use of public funds or property.
- **Operations:** Ensures the office runs efficiently by providing fiscal management and technology support to the office.
- **Pension:** Analyzes investment, financial, and actuarial reporting for Minnesota's local public pension plans and monitors pension plan operations.
- **Tax Increment Financing (TIF):** Promotes compliance and accountability in local governments' use of tax increment financing through education, reporting, and compliance reviews.

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[www.osa.state.mn.us](http://www.osa.state.mn.us)

# **Ramsey County Saint Paul, Minnesota**

Year Ended December 31, 2022



**Office of the State Auditor**

Management and Compliance Report

**Audit Practice Division  
Office of the State Auditor  
State of Minnesota**

**Ramsey County**  
**Saint Paul, Minnesota**

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**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

Board of County Commissioners  
Ramsey County  
Saint Paul, Minnesota

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, each major fund, and the aggregate remaining fund information of Ramsey County, Minnesota, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated June 28, 2023.

**Report on Internal Control Over Financial Reporting**

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

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 over financial reporting that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control that we consider to be a material weakness and significant deficiencies.

A deficiency in internal control over financial reporting 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 over financial reporting such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs as item 2022-001 to be a material weakness.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control over financial reporting that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as items 2022-002 and 2022-003 to be significant deficiencies.

## **Report on Compliance and Other Matters**

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

### **Minnesota Legal Compliance**

In connection with our audit, we noted that Ramsey County failed to comply with the provisions of the depositories of public funds and public investments section of the *Minnesota Legal Compliance Audit Guide for Counties*, promulgated by the State Auditor pursuant to Minn. Stat. § 6.65, insofar as they relate to accounting matters, as described in the Schedule of Findings and Questioned Costs item 2022-007. Also, in connection with our audit, nothing came to our attention that caused us to believe that Ramsey County failed to comply with the provisions of the contracting – bid laws, conflicts of interest, public indebtedness, claims and disbursements, and miscellaneous provisions sections of the *Minnesota Legal Compliance Audit Guide for Counties*, insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the County's noncompliance with the above referenced provisions, insofar as they relate to accounting matters.

### **Ramsey County's Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on Ramsey County's response to the internal control and legal compliance findings identified in our audit and described in the accompanying Corrective Action Plan. The County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control over financial reporting, compliance, and the provisions of the *Minnesota Legal Compliance Audit Guide for Counties* and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance. Accordingly, this communication is not suitable for any other purpose.

/s/Julie Blaha

Julie Blaha  
State Auditor

June 28, 2023



**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 the Uniform Guidance**

Independent Auditor's Report

Board of County Commissioners  
Ramsey County  
Saint Paul, Minnesota

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

***Qualified and Unmodified Opinions***

We have audited Ramsey County'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 Ramsey County's major federal programs for the year ended December 31, 2022. Ramsey County's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

***Qualified Opinion on Emergency Solutions Grant Program***

In our opinion, except for the noncompliance described in the Basis for Qualified and Unmodified Opinions section of our report, Ramsey County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on Emergency Solutions Grant Program for the year ended December 31, 2022.

***Qualified Opinion on COVID-19 – Emergency Rental Assistance Program***

In our opinion, except for the noncompliance described in the Basis for Qualified and Unmodified Opinions section of our report, Ramsey County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on COVID-19 – Emergency Rental Assistance Program for the year ended December 31, 2022.

***Unmodified Opinion on Each of the Other Major Federal Programs***

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

***Basis for Qualified and Unmodified Opinions***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

***Matters Giving Rise to Qualified Opinion on Emergency Solutions Grant Program***

As described in the accompanying Schedule of Findings and Questioned Costs, Ramsey County did not comply with requirements regarding Assistance Listing No. 14.231 Emergency Solutions Grant Program as described in finding number 2022-004 for Activities Allowed or Unallowed and Allowable Costs/Cost Principles.

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

***Matters Giving Rise to Qualified Opinion on COVID-19 – Emergency Rental Assistance Program***

As described in the accompanying Schedule of Findings and Questioned Costs, Ramsey County did not comply with requirements regarding Assistance Listing No. 21.023 COVID-19 – Emergency Rental Assistance Program as described in finding numbers 2022-005 for Activities Allowed or Unallowed and Allowable Costs/Cost Principles and 2022-006 for Eligibility.

Compliance with such requirements is necessary, in our opinion, for Ramsey County 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 Ramsey County'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 occurred, whether due to fraud or error, and express an opinion on Ramsey County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance, and therefore, is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America, *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 Ramsey County's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with auditing standards generally accepted in the United States of America, *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 Ramsey County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances; and



- obtain an understanding of Ramsey County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances, and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Ramsey County's internal control over compliance. Accordingly, no such opinion is expressed.

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

*Government Auditing Standards* requires the auditor to perform limited procedures on Ramsey County's response to the noncompliance findings identified in our audit described in the accompanying Schedule of Findings and Questioned Costs. Ramsey County'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.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items 2022-004 through 2022-006 to be material weaknesses.

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 Ramsey County's response to the internal control over compliance findings identified in our compliance audit described in the accompanying Schedule of Findings and Questioned Costs. Ramsey County'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, each major fund, and the aggregate remaining fund information of Ramsey County as of and for the year ended December 31,

2022, and have issued our report thereon dated June 28, 2023, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of Expenditures of Federal Awards (SEFA) is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the SEFA is fairly stated, in all material respects, in relation to the financial statements as a whole.

*/s/Julie Blaha*

Julie Blaha  
State Auditor

June 28, 2023

# Ramsey County

## Saint Paul, Minnesota

### Schedule of Findings and Questioned Costs For the Year Ended December 31, 2022

#### Section I – Summary of Auditor’s Results

##### Financial Statements

Type of auditor’s report the auditor issued on whether the financial statements audited were prepared in accordance with generally accepted accounting principles: **Unmodified**

Internal control over financial reporting:

- Material weaknesses identified? **Yes**
- Significant deficiencies identified? **Yes**

Noncompliance material to the financial statements noted? **No**

##### Federal Awards

Internal control over major federal programs:

- Material weaknesses identified? **Yes**
- Significant deficiencies identified? **None reported**

Type of auditor’s report issued on compliance for major federal programs: **Unmodified, except for Emergency Solutions Grant Program and COVID-19 – Emergency Rental Assistance Program, which are qualified.**

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? **Yes**

Identification of major federal programs:

Assistance Listing	
Number	Name of Federal Program or Cluster
10.561	SNAP Cluster
14.231	Emergency Solutions Grant Program
21.023	COVID-19 – Emergency Rental Assistance Program
21.027	COVID-19 – Coronavirus State and Local Fiscal Recovery Funds
93.563	Child Support Enforcement
93.667	Social Services Block Grant

The threshold used to distinguish between Type A and B programs was \$3,000,000.

Ramsey qualified as a low-risk auditee? **No**

# Ramsey County

## Saint Paul, Minnesota

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### Section II – Financial Statement Findings

#### **2022-001      Material Audit Adjustment**

**Prior Year Finding Number:** 2021-001

**Repeat Finding Since:** 2020

**Type of Finding:** Internal Control Over Financial Reporting

**Severity of Deficiency:** Material Weakness

**Criteria:** A deficiency in internal control over financial reporting 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 of the financial statements on a timely basis. Auditing standards define a material weakness as a deficiency, or 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.

**Condition:** A material audit adjustment was identified that resulted in significant changes to the County's financial statements.

**Context:** The inability to detect misstatements in the financial statement increases the likelihood that the financial statements would not be fairly presented. The adjustment was found in the audit; however, independent external auditors cannot be considered part of the County's internal control.

**Effect:** The following audit adjustment was reviewed and approved by the appropriate staff and is reflected in the financial statements: Capital Projects Fund intergovernmental revenue was increased, and deferred inflows of resources – unavailable revenue decreased, by \$5,585,386 to record highway allotment revenue that the County originally deferred.

**Cause:** The County originally deferred the revenue since the related expenditures had not yet been incurred. However, the revenue is an allotment, which is recorded as revenue when received.

**Recommendation:** We recommend the County review internal controls currently in place and design and implement procedures to improve internal controls over financial reporting which will prevent, or detect and correct, misstatements in the financial statements. The updated controls should include review of the balances and supporting documentation by a qualified individual to identify potential misstatements.

**View of Responsible Official:** Concur

#### **2022-002      Bank Reconciliation**

**Prior Year Finding Number:** 2021-002

**Repeat Finding Since:** 2020

**Type of Finding:** Internal Control Over Financial Reporting

**Severity of Deficiency:** Significant Deficiency

**Criteria:** Reconciliations are control activities designed to provide reasonable assurance that errors will be prevented and detected in a timely manner and involve the comparison of records or balances from different sources. Effective reconciliations properly account for any differences between the records or balances. This includes investigating why the differences exist and resolving them in a timely manner.

## Ramsey County Saint Paul, Minnesota

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**Condition:** During review of the County's December 2022 bank reconciliation, a number of adjustments were identified by the client to correct timing delays in recorded cash in the general ledger, some of which were delayed as much as nine months. In addition, the bank reconciliation included an unreconciled difference of approximately \$187,000. Lastly, the County did not perform bank reconciliations in 2022 detailed to the extent to identify unrecorded receipts noted in the audit as well as to support differences between bank and book balances.

**Context:** The unreconciled difference noted is less than one percent of the County's total cash and investments. The County hired a consultant to complete the bank reconciliations for the early months of 2023, who will document procedures performed and assist County staff when transitioning completion of the bank reconciliations back to the County.

**Effect:** When accounting records are not reconciled on a regular basis, there is an increased risk errors or irregularities will not be detected in a timely manner.

**Cause:** The County informed us that there was turnover in experienced staff.

**Recommendation:** We recommend the County review procedures in place over preparation of the bank reconciliation as well as the timeliness of their completion. Necessary adjustments should be made to the general ledger in a timely manner to ensure that bank records tie to the County's general ledger.

**View of Responsible Official:** Acknowledge

### **2022-003      Employee Census Data and Pay Rates**

**Prior Year Finding Number:** N/A

**Repeat Finding Since:** N/A

**Type of Finding:** Internal Control Over Financial Reporting

**Severity of Deficiency:** Significant Deficiency

**Criteria:** Management is responsible for establishing and maintaining internal control over the various accounting cycles, including maintaining employee data and reporting it to the Public Employees Retirement Association (PERA). In addition, the Human Resources Department's procedures are to review pay rate changes (noted on the "HR Audit Report") on a weekly basis.

**Condition:** In a sample of 25 employees, one birthdate per PERA data did not agree to the employee's personnel file by 32 years. In addition, two employees' census data was not reported in the PERA ERIS system. Furthermore, when observing controls over PERA census information and pay rates, it was noted that reviews of the "HR Audit Report" by the Human Resources Department were either not being done timely, evidence of the reviews were not documented, or the Human Resources Department did not have documentation from the employees' originating departments to sufficiently review the changes in census data or pay rates.

**Context:** Pension information is entered by County staff into the PERA ERIS system, which is a statewide pension retirement system for public employees. The "HR Audit Report" is used as a tool to review changes in employee census data, as well as pay rates, for accuracy.

**Effect:** Errors in census data reported increases the risk that PERA's net pension liability is misstated. In addition, insufficient review over changes to employee census data and pay rates increases the risk of errors or fraud in payroll expenditures.

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## Saint Paul, Minnesota

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**Cause:** The County informed us there was significant turnover in its Human Resources Department in 2022.

**Recommendation:** We recommend audits of census data and review of the “HR Audit Report” be completed timely and be documented with the reviewer’s signature and date reviewed. This review should include verifying the changes noted on the “HR Audit Report” to documentation supporting the change.

**View of Responsible Official:** Concur

### Section III – Federal Award Findings and Questioned Costs

#### 2022-004      Activities Allowed or Unallowed and Allowable Costs/Cost Principles

**Prior Year Finding Number:** N/A

**Repeat Finding Since:** N/A

**Type of Finding:** Internal Control Over Compliance and Compliance

**Severity of Deficiency:** Material Weakness and Modified Opinion

**Federal Agency:** U.S. Department of Housing and Urban Development

**Program:** 14.231 Emergency Solutions Grant Program

**Award Number and Year:** E-20-MW-27-0007, E-20-MC-27-0007, 2020; E-21-MC-27-0007, 2021

**Pass-Through Agency:** City of Saint Paul, Minnesota

**Criteria:** Title 2 U.S. *Code of Federal Regulations* § 200.303 states that the auditee must establish and maintain effective internal control over the federal award that provides reasonable assurance that the auditee is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal awards. In addition, per the Joint Powers Agreement between the County and the City of Saint Paul, the County is to submit supporting evidence for each Draw Request prepared by the County for reimbursement.

**Condition:** The County did not obtain itemized documentation from its subrecipients for six out of 40 disbursements tested. The amount of disbursements that did not have supporting documentation totaled \$507,553. Itemized documentation would include reports derived from payroll systems or subrecipient general ledgers and original receipts.

**Questioned Costs:** Could not be determined.

**Context:** The County expended a total of \$5,500,646 of Emergency Solutions Grant Program funds in 2022. Of this amount, \$5,466,366 was passed through to subrecipients of the County.

The sample size was based on guidance from chapter 11 of the AICPA Audit Guide, *Government Auditing Standards and Single Audits*.

**Effect:** By not obtaining itemized documentation, the County cannot be assured that its subrecipients were expending funds on allowable activities and met the requirements of allowable costs. In addition, the County is not meeting the requirements outlined in its agreement with the City of Saint Paul.

**Cause:** The County considered its subrecipient monitoring procedures sufficient in lieu of obtaining itemized documentation.

# Ramsey County

## Saint Paul, Minnesota

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**Recommendation:** We recommend the County obtain itemized documentation related to expenditures, including payroll or general ledger reports and itemized receipts, as applicable, for subrecipient reimbursement requests.

**View of Responsible Official:** Acknowledge

**2022-005      Activities Allowed or Unallowed and Allowable Costs/Cost Principles**

**Prior Year Finding Number:** N/A

**Repeat Finding Since:** N/A

**Type of Finding:** Internal Control Over Compliance and Compliance

**Severity of Deficiency:** Material Weakness and Modified Opinion

**Federal Agency:** U.S. Department of the Treasury

**Program:** 21.023 COVID-19 – Emergency Rental Assistance Program

**Criteria:** Title 2 U.S. *Code of Federal Regulations* § 200.303 states that the auditee must establish and maintain effective internal control over the federal award that provides reasonable assurance that the auditee is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award. Per the County's subrecipient agreements, "each jurisdiction's program allocation may only be used to provide Emergency Rental Assistance (ERA) [or Financial Assistance] to eligible households within the geographical boundaries of that jurisdiction." In addition, Part 3 of the OMB *Compliance Supplement* states that improper payments include any duplicate payment.

**Condition:** The following exceptions were detected in the audit of COVID-19 – Emergency Rental Assistance Program:

- In the sample of 15 disbursements tested, five consisted of advance payments to the County's subrecipients where itemized documentation was not subsequently obtained, and
- In the sample of three journal entries tested, all three included duplicate expenditures.

**Questioned Costs:** \$254,296

**Context:** The County was allocated over \$15 million in ERA1 and ERA2 funds between 2021 and 2022, expending \$6,470,692 in 2022. Of this amount, \$5,741,917 was passed through to subrecipients in 2022. The County completed monitoring procedures over its subrecipients at the beginning of 2022, reviewed spending of the subrecipients against budgets established at the beginning of the program, and viewed data entered by its subrecipients into online portals noting rent and utility assistance provided.

The sample size was based on guidance from chapter 11 of the AICPA Audit Guide, *Government Auditing Standards and Single Audits*.

**Effect:** By not obtaining itemized documentation, the County cannot be assured that its subrecipients were expending funds on allowable activities and met the requirements of allowable costs. Excess funding was to be returned to the U.S. Department of the Treasury for reallocation.

**Cause:** The County considered its subrecipient monitoring procedures and monitoring of spending and online portals sufficient in lieu of obtaining itemized documentation. The County created journal entries to move funding between the ERA1 and ERA2 Programs to close and "clean up" the ERA1 Program.

## Ramsey County Saint Paul, Minnesota

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**Recommendation:** We recommend the County obtain supporting documentation related to advances, including payroll and general ledger reports, and itemized receipts for purchases prior to disbursing subsequent advances. In addition, we recommend the County implement procedures to ensure that only allowable program expenditures are reimbursed, taking special care with journal entries to ensure expenditures are not duplicated.

**View of Responsible Official:** Acknowledge

**2022-006**      **Eligibility**

**Prior Year Finding Number:** N/A

**Repeat Finding Since:** N/A

**Type of Finding:** Internal Control Over Compliance and Compliance

**Severity of Deficiency:** Material Weakness and Modified Opinion

**Federal Agency:** U.S. Department of the Treasury

**Program:** 21.023 COVID-19 – Emergency Rental Assistance Program

**Criteria:** Title 2 U.S. *Code of Federal Regulations* § 200.303 states that the auditee must establish and maintain effective internal control over the federal award that provides reasonable assurance that the auditee is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award. Per the County's Federal Emergency Rental Assistance Program Guide for Tenant Application, the County is to obtain a written attestation if the participant household has no qualifying income or does not have documentation of all current income. In addition, per the U.S. Department of the Treasury's Emergency Rental Assistance Frequently Asked Questions, revised July 27, 2022, a grantee may rely on a written attestation without further documentation of household income under three approaches, self-attestation being one of these approaches; and the cost of a hotel or motel room may be covered using Emergency Rental Assistance provided that documentation of the hotel or motel stay is provided. The cost of the hotel or motel stay would not include expenses incidental to the charge for the room.

**Condition:** In a sample of 19 participant's eligibility documentation tested, the following exceptions were detected:

- One payment to a participant's landlord exceeded the amount in the agreement;
- Three participants did not have documentation to support household income; and
- All participants did not have documentation originating from the hotel or shelter supporting the payment amount on behalf of the participant, including that incidental expenses were not included; or the hotel invoice did not agree to the actual payment amount.

**Questioned Costs:** Less than \$25,000

**Context:** The County informed us that its procedures are to take attendance daily for participants housed at hotels or shelters, and reconcile it to monthly attendance confirmations provided by the hotels or shelters.

The sample size was based on guidance from chapter 11 of the AICPA Audit Guide, *Government Auditing Standards and Single Audits*.



## Ramsey County Saint Paul, Minnesota

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**Effect:** The County is not in compliance with requirements determined by the U.S. Department of the Treasury, as well as the County is not following procedures as outlined in its Federal Emergency Rental Assistance Program Guide for Tenant Application.

**Cause:** For the damage deposit discrepancy noted, the County believes that the incorrect damage deposit amount was noted in the lease by the landlord in error. The County informed us that it allowed verbal attestation in some cases for income verifications. Lastly, the County was unable to provide documentation of its reconciliation procedures over participant attendance at hotels or shelters.

**Recommendation:** We recommend the County ensure its policies and procedures are being followed. In addition, we recommend the County review guidance provided by the U.S. Department of the Treasury to ensure it is meeting all applicable compliance requirements.

**View of Responsible Official:** Acknowledge

### Section IV – Other Findings and Recommendations

#### 2022-007 Custodial Credit Risk – Deposits

**Prior Year Finding Number:** 2021-007

**Repeat Finding Since:** 2020

**Type of Finding:** Minnesota Legal Compliance

**Criteria:** As stated in Minn. Stat. § 118A.03, the County is required to obtain collateral to secure deposits to the extent funds on deposit exceed available federal deposit insurance at the close of the financial institution's banking day. As required by Minn. Stat. § 118A.03, subd. 3, the market value of collateral should be at least ten percent more than the uninsured and unbonded amount on deposit, except that where the collateral is irrevocable standby letters of credit issued by the Federal Home Loan Banks, the amount of collateral shall be at least equal to the uninsured and unbonded amount on deposit.

**Condition:** In a sample of three months tested for adequate collateral coverage of the County's main checking account, the month of May had nine days that did not have sufficient collateral, one day which exceeded \$169.4 million. The month of October had eleven days that did not have sufficient collateral, one day which exceeded \$134 million. Lastly, the County's deposits at another institution were undercollateralized by \$47.5 million, \$47.4 million, and \$49.9 million on May 31, October 31, and December 31, 2022, respectively.

**Context:** The County has other accounts at the depository where its main checking account is held.

**Effect:** The County was not in compliance with Minnesota statutes and exposed County deposits to custodial credit risk.

**Cause:** The Debt and Investment department was undergoing transition at this time with changes in staffing.

**Recommendation:** We recommend the County monitor all County deposits to ensure there is adequate collateral pledged to secure deposits in accordance with Minn. Stat. § 118A.03.

**View of Responsible Official:** Concur

**Representation of Ramsey County  
Saint Paul, Minnesota**

Corrective Action Plan  
For the Year Ended December 31, 2022

**Finding Number: 2022-001**

**Finding Title: Material Audit Adjustment**

Name of Contact Person Responsible for Corrective Action:

George Hardgrove, EGCI Service Team Controller

Corrective Action Planned:

**Cause:** Trying to derive Receivable/Revenue/Deferred Revenue balances during a very short period a few months after year-end. Using large adjusting entries to record these balances on the financials.

**Plan:** Do this work continuously throughout the year. Spread work over multiple people. (At least the PW Accounting Manager and the EGCI-Wide AR Accountant II.) Keep proper revenue and receivable balances using appropriate accounting codes (1xxxxx for Receivables, 3xxxxx for revenue). Perform a systematic process earlier in the year-end cycle to defer the revenue.

**Immediate Plan:**

- Assemble Project Team of (PW Accounting Manager, PW Accounting Consultant, EGCI Controller, Accounts/Receivable Accounting Manager, new AR Acct, Deputy Accounting Director, and her Accountant 3).
- Research how other counties do this. Have contacts at both Hennepin County and Washington County.
- Decide on best method going forward. This includes the initial re-setting of receivable/revenue balances by project and/or CSAH revenue category. Then decide on method to get this updated during the year. Either updated after every significant transaction, or certain intervals during the year.
- Research all projects and/or CSAH Revenue Categories and get the proper Receivable/Revenue/Deferred Revenue balance into ASPEN.
- AR Accountant working in conjunction with the PW Accounting Manager to then keep ASPEN continuously updated based on the above plan. That will enable us to monitor these balances at least at various time during year.

- Will start entering revenue deferral JE's during year-end (Feb./March).
- Will also check in with the Auditors (OSA) this fall on how we're doing.
- This should greatly cut down on the adjusting entries when we work on the Financial Statement in March and April and reduce the risk of another audit finding.

Anticipated Completion Date:

April 15, 2024

**Finding Number: 2022-002**

**Finding Title: Bank Reconciliation**

Name of Contact Person Responsible for Corrective Action:

Jeanette J. Boit-Kania, Debt and Investment Manager

Corrective Action Planned:

Hired an outside consultant with knowledge of Ramsey County to complete the January 2023 bank reconciliation and create procedure documentation for future bank reconciliations.

Effective September 1, 2023, we will be transitioning the receipting and bank reconciliation duties from IPR to the Finance department along with associated staff FTEs. These individuals will report to the debt and investment manager.

Under the direction of the debt and investment manager, staff will use the procedures from the outside consultant to reconcile the bank accounts monthly. These bank reconciliations will detail discrepancies and outstanding items. The staff member will have the access to create correcting journal entries for any discrepancies immediately. After bank reconciliation is complete, the debt and investment manager will review and sign off.

Anticipated Completion Date:

December 31, 2023

**Finding Number: 2022-003****Finding Title: Employee Census Data and Pay Rates**Name of Contact Person Responsible for Corrective Action:

Elizabeth Toal, Deputy Director HR

New manager when position filled will assume responsibilities from Elizabeth

Corrective Action Planned:

In 2022 Ramsey County Human Resources experienced significant turnover; the Transactions area was affected on more than one occasion and the staff in the area turned over twice. This resulted in a backlog of work in the auditing unit. Audits which were intended to be completed weekly were not done timely nor were documentation procedures always followed.

To correct the deficiencies workflow the Transactions will: 1) work to stabilize its staffing level; 2) ensure staff are trained; 3) review the "HR Audit Report" in a timely manner; 4) ensure any necessary changes are done in a timely manner; 5) ensure Audit Reports are dated and signed by the reviewer; 6) ensure documents are uploaded into Laserfiche electronic document management system and employee personnel files.

Anticipated Completion Date:

12/31/2023

**Finding Number: 2022-004****Finding Title: Activities Allowed or Unallowed and Allowable Costs/Cost Principles****Program: 14.231 Emergency Solutions Grant Program**Name of Contact Person Responsible for Corrective Action:

George Hardgrove, EGCI Service Team Controller

Corrective Action Planned:

Ramsey County had exceptions for 6 of 40 transactions tested. The exceptions noted were for a lack of receipt copies and not having the proper payroll reports attached.

We agree with the lack of receipt copies. For payroll, we felt the payroll reports provided were adequate to determine the appropriate labor cost. The receipt issue came to about 2.5% of the \$5.5M that was expended under this award in 2022 while the payroll documentation was about 7% of this amount.

Nonetheless, we will create and use a check list to ensure we have the proper receipt copies and payroll reports for each subrecipient invoice we approve. We will also work on clarifying the required payroll reports with our grantors.

Anticipated Completion Date:

December 31, 2023.

**Finding Number: 2022-005**

**Finding Title: Activities Allowed or Unallowed and Allowable Costs/Cost Principles**

**Program: 21.023 COVID-19 – Emergency Rental Assistance Program**

Name of Contact Person Responsible for Corrective Action:

Tara Bach, Director Operational Support Services

Corrective Action Planned:

- The County will request supporting documentation, including general ledger report and/or bank statements and client list, to verify that advance payment have been spent before dispersing additional advance payments to subrecipient.
- Make sure extra time is given when moving expenses between grants to ensure that nothing gets moved twice.

Anticipated Completion Date: The process used for this change has been implemented effective June 15, 2023.

**Finding Number: 2022-006**

**Finding Title: Eligibility**

**Program: 21.023 COVID-19 – Emergency Rental Assistance Program**

Name of Contact Person Responsible for Corrective Action:

Kim Cleminson, Deputy Director, Housing Stability Department

Corrective Action Planned:

In response to the finding, Ramsey County Housing Department (HSD) will implement the following:

1. For the ERA-based Highway to Housing program that ended May 30, 2023
  - a. Records from the hotels, outlining the costs were located and will be migrated to a centralized/ Sharepoint site; and

- b. Additionally, HSD will source the income verification for the three participants and save copies to the centralized/ Sharepoint site
2. For the new ERA-based Housing Court program, which is a tenant rental assistance program, no hotels stays will be covered- only outstanding rent, fees, and utilities as outlined by the landlord. For this program, the following records are obtained for each client and maintained on the centralized SharePoint site:
  - a. Application to the programming outlining program eligibility and amount owed with signed self-attestation, third party verification, and signed attestation from an authorized representative; and
  - b. Copy of the lease, ledger, or notice of outstanding rent and/or utility arrears.

Anticipated Completion Date:

1. Migration of records to be complete by July 31, 2023
2. Housing Court program launched on June 16, 2023. All the records supporting newly approved ERA expenditures are saved on Sharepoint.

**Finding Number: 2022-007**

**Finding Title: Custodial Credit Risk – Deposits**

Name of Contact Person Responsible for Corrective Action:

Jeanette J. Boit-Kania, Debt and Investment Manager

Corrective Action Planned:

U.S. Bank accounts will be reviewed daily and deposits held kept at an amount under collateral coverage and is reasonable for the monthly activity. Excess funds will be transferred to the short-term money market fund as needed. Deposits held in Bremer bank will also be monitored for collateral coverage.

All investment accounts will be monitored monthly for collateral compliance.

At the end of the audit period additional collateral documentation was found but was not found in time for the auditors to review.

Anticipated Completion Date:

June 30, 2023

**Representation of Ramsey County  
Saint Paul, Minnesota**

Summary Schedule of Prior Audit Findings  
For the Year Ended December 31, 2022

**Finding Number: 2021-001**

**Year of Finding Origination: 2020**

**Finding Title: Material Audit Adjustment**

**Summary of Condition:** A material audit adjustment was identified in the Capital Projects Fund that resulted in significant changes to the County's financial statements.

**Summary of Corrective Action Previously Reported:** Starting for the 2022 Year End Process, Ramsey County will institute two levels of review to support the year-end compilation process. The first review will be by the EGCI Controller. The EGCI Controller will sign off on the Receivable schedule provided to Ramsey County Central Finance. This will include reviewing items from Ramsey County's ERP System's Accounts/Receivable module and any current and/or needed Journal Voucher adjustments.

The second review will be a meeting with the EGCI Controller, the Accountant IV for Public Works, the Principal Finance Analyst(s) for Public Works, and the Accountant IV in Central Finance that prepares the Annual Report. At that time, any additional adjustments will be reviewed and approved by these four individuals.

We will also include notes on the Receivable Schedule indicating the revenue recognition rules for each grant from a governmental unit including the State of MN.

Lastly, as of November, 2021, the EGCI Service Team has consolidated its Finance and Accounting Function. As part of that, a Central Service Team AR Function is currently being formed with the hiring of an Accountant. Starting for the 2022 year end, the EGCI AR Accountant will systematically review all receivables for EGCI and determine whether revenue should be deferred or not. We will ask Central Finance to prepare a query to assist in this work which shows when the revenue was received for each receivable that was open during the year. As part of this process, the EGCI Service Team will record all material receivables in ASPEN so this review can be done completely and efficiently.

Lastly, in addition to preparing a query to identify revenue that should be deferred, Ramsey County will repair Query RMAP201A (Detailed Disbursement Report) so cancelled payments don't get reported on this query.

**Status:** Not Corrected. Movement of key staff delayed the implantation of transitioning the information to Aspen AR through their billing system. In 2023 we feel that stabilized staffing will be able to manage this transition.

Corrective action taken was not significantly different than the action previously reported.

**Finding Number: 2021-002**

**Year of Finding Origination: 2020**

**Finding Title: Bank Reconciliation**

**Summary of Condition:** During review of the County's December 2021 bank reconciliation, the County was not able to provide the necessary information to support the reconciling items effectively in a

timely manner. When the County's Finance Department investigated this further, it was discovered that an item listed as an outstanding check at December 31, 2021, for \$3,546,656.65 was not actually an outstanding check as the check had been replaced with a wire transfer. During the audit, the auditor discovered that a receipt of \$58,360 was deposited in the bank in November 2021, but had not been recorded in the general ledger until discovered by the auditor in May 2022. Lastly, we were informed that a bank reconciliation was not performed for November 2021.

**Summary of Corrective Action Previously Reported:** Ramsey County is transitioning from the current manual and various deposit transmittal and reconciliation procedures to a consolidated and standard procedure that will be facilitated and partially automated using standard functionality in the iPayment system from Core Business Technologies. Work to implement this system started in 2021, and the system will go live in April 2022.

The IPR Controller, Director of PTRES and County Auditor/Treasurer, Deputy Director of PTRES and Finance will work together with the help of a third-party consultant to develop a roadmap and action plan to develop and implement new processes to support the County Wide bank reconciliation process.

**Status:** Not Corrected. IPR was not able to access the information needed through the iPayment system in the manner they thought. So, they were unable to complete the bank recs in a timely manner. The transition to Finance will occur in 2023.

Corrective action taken was not significantly different than the action previously reported.

**Finding Number: 2021-003**

**Year of Finding Origination: 2020**

**Finding Title: SEFA Preparation**

**Summary of Condition:** Ramsey County did not properly identify the amounts expended and reported on the SEFA.

**Summary of Corrective Action Previously Reported:** Starting in 2022, the finance department will review the expenditures for the SEFA preparation and analyze the expenses to ensure they are all-inclusive of the Federal grant in question. At the time of preparing the monthly/quarterly reports to meet the Federal requirements, the accountant 3 and the finance deputy director will review reported expenditures to ensure accuracy.

At year end, the accountant 3 will prepare the annual report to determine the expenditures and reconcile discrepancies if they occur. These reports will be used for audit reporting and SEFA preparation.

Details will include

1. Generating the detailed receipts by fund report from Aspen to account for any receipts.
2. Compare the detailed receipts by fund report to the award letter for the grant to ensure all receipting is accurate.
3. Generate the fund detailed disbursement report for the grant reviewing.
4. Review the fund detailed disbursement report to ensure all costs are accounted for.
5. Work with the department utilizing the grant to review expenses.
6. Compare the detailed receipts and the disbursement reports to ensure we have utilized all funds and in the case of underutilization, report the excess as a deferred/unearned revenue at year end.



**Status:** Fully Corrected. Corrective action was taken.

Corrective action taken was not significantly different than the action previously reported.

**Finding Number:** 2021-004

**Year of Finding Origination:** 2016

**Finding Title:** Eligibility

**Program:** Medical Assistance Program (Assistance Listing No. 93.778)

**Summary of Condition:** The Minnesota Department of Human Services maintains the computer system, MAXIS, which is used by the County to support the eligibility determination process. The following exceptions were noted in our sample of 40 case files tested:

- six case files had information in MAXIS that did not agree to supporting documentation in the case file, and
- three case files did not have documentation of verification of citizenship.

In addition, the County does not have a formalized supervisory case file review process in place.

**Summary of Corrective Action Previously Reported:** Internal quality control review checklists, specific to each Program area have been developed. With COVID-19, the planned full rollout has been pushed back to the end of 2022 to incorporate the verification of necessary support documentation to support eligibility determinations and update status in MAXIS. This was something that we are planning on checking when workers process Medical Assistance renewals. If other programs are active on the case, workers are checking the file to make sure supporting documentation is on file and maxis matches those results.

Department wide communication to staff regarding importance of supporting documentation in the case file prior to approval of the case has been implemented and is ongoing.

The detail regarding the Quality Assurance review process and the Corrective Action Plan has been documented and communicated to provide guidance for new staff, refreshers for current staff, and to ensure the appropriate actions are followed. The documentation will be reviewed and revised as needed to ensure compliance and consistency throughout the department.

Supervisory review has been implemented with new hires. As issues are identified with current staff, enhanced review strategies and procedures are implemented to review the documentation needed prior to approval of a case.

All staff will be required to take the Citizenship and Identity training on an annual basis. If errors are found and overpayments occur the Department will follow the protocol of the Minnesota Department of Human Services regarding the collection of any overpayments.

**Status:** Fully Corrected. Corrective action was taken.

Corrective action taken was not significantly different than the action previously reported.

**Finding Number: 2021-005**

**Year of Finding Origination: 2021**

**Finding Title: Procurement, Suspension and Debarment**

**Program: Special Supplemental Nutrition Program for Women, Infants, and Children (Assistance Listing No. 10.557)**

**Summary of Condition:** In a sample of three contracts tested over \$10,000, one was over the simplified acquisition threshold. This contract did not have documentation supporting full and open competition or that a cost or price analysis was performed. In addition, all three contracts did not have documentation to meet the verification requirements whether the vendors were debarred, suspended, or whether other exclusions existed.

**Summary of Corrective Action Previously Reported:** The contract managers will ensure that documentation for debarment checks is included with every internal contract. They will also run a debarment check when working from other department contracts in case a check hasn't been performed by the other department. To ensure that 2022 is correct, the contract managers will go back through every internal contract that they have done during the year to ensure that debarment check documentation has been included. If documentation hasn't been included, the contract manager will perform the debarment check and add the documentation to the file.

To ensure an open and competitive process occurred, the contract managers will ask other departments if the vendor selection method complies with federal grant requirements going forward. They will note the date asked and the department contact name in the contract file.

**Status:** Fully Corrected. Corrective action was taken.

Corrective action taken was not significantly different than the action previously reported.

**Finding Number: 2021-006**

**Year of Finding Origination: 2021**

**Finding Title: Reporting**

**Program: COVID-19 – Emergency Rental Assistance (Assistance Listing No. 21.023)**

**Summary of Condition:** In the sample of three quarterly SF-425 reports tested, two reports included amounts that could not be reconciled to supporting documentation; were for estimated administrative costs not yet paid or disbursed; or were applicable to expenditures funded with the ERA2 award, and were therefore duplicated. In addition, in the sample of three quarterly ERA Compliance reports tested, the auditor was not able to reconcile expenditure data to supporting documentation.

**Summary of Corrective Action Previously Reported:** Two of the three SF-425 Reports submitted to Treasury could not be reconciled. Thus, making the reports not in compliance with Treasury.

We are working on transitioning reporting responsibility to Operational Support Services and keeping maintaining records that will tie out to what is reported to Treasury. The system that was used changes daily. We have reviewed Treasury guidance and believe this will not be an issue for 2022.

**Status:** Fully Corrected. Corrective action was taken.

Corrective action taken was not significantly different than the action previously reported.

**Finding Number: 2021-007**

**Year of Finding Origination: 2020**

**Finding Title: Custodial Credit Risk – Deposits**

**Summary of Condition:** In a sample of three months tested for adequate collateral coverage for the County's main checking account, the month of May had ten days that did not have sufficient collateral, including one day which exceeded collateral coverage by approximately \$97 million. The month of October had nine days that did not have sufficient collateral; one such day exceeded collateral coverage by approximately \$84 million.

**Summary of Corrective Action Previously Reported:** US Bank accounts will be reviewed daily, and deposits held kept at an amount that is under the collateral coverage and is reasonable for the monthly activity. The Short-term Money Market account will be used to transfer excess funds as needed.

Online banking reports are available for Bremer Bank. The months of May and October bank statements are accessible and can be provided to the auditors. All monthly bank statements will be downloaded and saved.

All investment accounts will be monitored monthly for collateral compliance.

**Status:** Not Corrected. We had turnover in our Debt/Investment team that caused this to occur again. There is a new process in place to ensure this if fully corrected in 2023. We also found more documentation after the audit that would have helped this finding.

Corrective action taken was not significantly different than the action previously reported.

**Finding Number: 2021-008**

**Year of Finding Origination: 2021**

**Finding Title: Late Payments**

**Summary of Condition:** In a sample of 50 disbursements tested, seven were not paid within 35 days of receipt of goods or services or the invoice. In addition, out of these seven disbursements, the County only calculated and paid interest on one.

**Summary of Corrective Action Previously Reported:** Most of the late payments were Aspen/SSIS interface payments. Those vouchers are created automatically when the payments are upload from SSIS and are not entered manually into Aspen by the Account Specialist where they would enter an invoice receipt date. The department will implement the following:

1. Add an additional reconciliation step in the verification and approval process to review the invoice receipt dates of the SSIS payments to determine late payment status.

2. If the determination is made that a late payment will occur, a separate interest payment will be created in Aspen to comply with the statute.
3. Communicate and provide training to the appropriate fiscal staff involved in the process.
4. Provide retraining of the Disbursement Policy.

**Status:** Fully Corrected. Corrective action was taken.

Corrective action taken was not significantly different than the action previously reported.

**Ramsey County  
Saint Paul, Minnesota**

**Schedule of Expenditures of Federal Awards  
For the Year Ended December 31, 2022**

<b>Federal Grantor Pass-Through Agency Program or Cluster Title</b>	<b>Assistance Listing Number</b>	<b>Pass-Through Grant Numbers</b>	<b>Expenditures</b>	<b>Passed Through to Subrecipients</b>
<b>U.S. Department of Agriculture</b>				
Passed Through Minnesota Department of Education				
Child Nutrition Cluster				
School Breakfast Program	10.553	ED-02381-01E	\$ 21,839	\$ -
National School Lunch Program	10.555	ED-02381-01E	43,690	-
COVID-19 – National School Lunch Program	10.555	Not Provided	5,351	-
(Total National School Lunch Program 10.555 \$49,041)				
Passed Through Minnesota Department of Health				
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	150371	3,948,129	-
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	150652	192,375	-
(Total Special Supplemental Nutrition Program for Women, Infants, and Children 10.557 \$4,140,504)				
Passed Through Minnesota Department of Human Services				
SNAP Cluster				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	222MN101S2520	15,900	-
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	222MN101S2514	7,583,552	-
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	222MN127Q7503	267,905	-
(Total State Administrative Matching Grants for the Supplemental Nutrition Assistance Program 10.561 \$7,867,357)				
Passed Through Minnesota Department of Agriculture				
WIC Farmers' Market Nutrition Program (FMNP)	10.572	B0417F172615	13,473	-
<b>Total U.S. Department of Agriculture</b>			<b>\$ 12,092,214</b>	<b>\$ -</b>
<b>U.S. Department of Housing and Urban Development</b>				
Direct				
CDBG – Entitlement Grants Cluster				
Community Development Block Grants/Entitlement Grants (Total Community Development Block Grants/Entitlement Grants 14.218 \$1,368,159)	14.218		\$ 1,335,097	\$ 1,186,857
Continuum of Care Program	14.267		251,681	-
Passed Through Dakota County Community Development Agency				
Home Investment Partnerships Program	14.239	M17DC270203	610,479	-

**Ramsey County  
Saint Paul, Minnesota**

**Schedule of Expenditures of Federal Awards  
For the Year Ended December 31, 2022  
(Continued)**

<b>Federal Grantor Pass-Through Agency Program or Cluster Title</b>	<b>Assistance Listing Number</b>	<b>Pass-Through Grant Numbers</b>	<b>Expenditures</b>	<b>Passed Through to Subrecipients</b>
<b>U.S. Department of Housing and Urban Development (Continued)</b>				
Passed Through City of Saint Paul, Minnesota				
CDBG – Entitlement Grants Cluster				
Community Development Block Grants/Entitlement Grants (Total Community Development Block Grants/Entitlement Grants 14.218 \$1,368,159)	14.218	Not Provided	33,062	-
Emergency Solutions Grant Program	14.231	E-20-MC-27-0007	260,564	254,464
Emergency Solutions Grant Program	14.231	E-21-MC-27-0007	514,583	506,926
Emergency Solutions Grant Program (Total Emergency Solutions Grant Program 14.231 \$5,500,646)	14.231	E-20-MW-27-0007	4,725,499	4,704,976
<b>Total U.S. Department of Housing and Urban Development</b>			<b>\$ 7,730,965</b>	<b>\$ 6,653,223</b>
<b>U.S. Department of Justice</b>				
Direct				
Coronavirus Emergency Supplemental Funding Program	16.034		\$ 58,008	\$ -
State Criminal Alien Assistance Program	16.606		46,622	-
Grants to Reduce Domestic Violence, Dating Violence, Sexual Assault, and Stalking on Campus	16.525		3,340	-
Edward Byrne Memorial Justice Assistance Grant Program (Total Edward Byrne Memorial Justice Assistance Grant Program 16.738 \$208,017)	16.738		38,349	-
Passed Through Minnesota Department of Public Safety				
Crime Victim Assistance	16.575	A-CVS-2022-RAMSEYAO	181,619	-
Crime Victim Assistance (Total Crime Victim Assistance 16.575 \$580,240)	16.575	A-CVS-2022-RAMS-SOS	398,621	-
Edward Byrne Memorial Justice Assistance Grant Program (Total Edward Byrne Memorial Justice Assistance Grant Program 16.738 \$208,017)	16.738	F-JAGRE-2022-RAMSEYAO	122,932	-
Violence Against Women Formula Grants	16.588	F-VAWA-2021-RAMSEYAO	223,528	-
Violence Against Women Formula Grants (Total Violence Against Women Formula Grants 16.588 \$247,895)	16.588	A-SMART-2021-RAMS-SOS	24,367	-
Passed Through Minnesota Department of Health				
Children of Incarcerated Parents	16.831	Not Provided	3,000	-
Passed Through City of Saint Paul, Minnesota				
Edward Byrne Memorial Justice Assistance Grant Program (Total Edward Byrne Memorial Justice Assistance Grant Program 16.738 \$208,017)	16.738	A-JAG-2022-RAMSEYCC	46,736	-
<b>Total U.S. Department of Justice</b>			<b>\$ 1,147,122</b>	<b>\$ -</b>

**Ramsey County  
Saint Paul, Minnesota**

**Schedule of Expenditures of Federal Awards  
For the Year Ended December 31, 2022  
(Continued)**

<b>Federal Grantor Pass-Through Agency Program or Cluster Title</b>	<b>Assistance Listing Number</b>	<b>Pass-Through Grant Numbers</b>	<b>Expenditures</b>	<b>Passed Through to Subrecipients</b>
<b>U.S. Department of Labor</b>				
Passed Through Minnesota Department of Employment and Economic Development				
WIOA Cluster				
WIA Adult Program	17.258	1153100	\$ 451,475	\$ -
WIA Adult Program	17.258	2153100	44,576	-
(Total WIA Adult Program 17.258 \$496,051)				
WIA Youth Activities	17.259	0153600	243,724	135,883
WIA Youth Activities	17.259	1153600	488,098	488,098
(Total WIA Youth Activities 17.259 \$731,822)				
WIA Dislocated Worker Formula Grants	17.278	1158000	378,580	76,560
WIA Dislocated Worker Formula Grants	17.278	2158000	41,390	-
(Total WIA Dislocated Worker Formula Grants 17.278 \$419,970)				
COVID-19 – Workforce Investment Act (WIA) National Emergency Grants	17.277	1150100	69,566	-
<b>Total U.S. Department of Labor</b>			<b>\$ 1,717,409</b>	<b>\$ 700,541</b>
<b>U.S. Department of Transportation</b>				
Passed Through Minnesota Department of Transportation				
Highway Planning and Construction Cluster				
Highway Planning and Construction	20.205	1030062	\$ 2,651,218	\$ -
Passed Through Minnesota Department of Public Safety				
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	Not Provided	18,448	-
Passed Through the Metropolitan Council				
Federal Transit Cluster				
Federal Transit – Capital Investment Grants	20.500	Not Provided	172,056	-
Passed Through City of Saint Paul, Minnesota				
Highway Safety Cluster				
State and Community Highway Safety	20.600	SPEED21-2021-SSPD-004	6,076	-
National Priority Safety Programs	20.616	Not Provided	9,963	-
<b>Total U.S. Department of Transportation</b>			<b>\$ 2,857,761</b>	<b>\$ -</b>
<b>U.S. Department of the Treasury</b>				
Direct				
COVID-19 – Emergency Rental Assistance Program	21.023		\$ 6,470,692	\$ 5,741,917
COVID-19 – Coronavirus State and Local Fiscal Recovery Funds	21.027		15,489,705	-
(Total COVID-19 – Coronavirus State and Local Fiscal Recovery Funds 21.027 \$15,554,505)				
Local Assistance and Tribal Consistency Fund	21.032		50,000	-
Passed Through Saint Paul Public Schools				
COVID-19 – Coronavirus State and Local Fiscal Recovery Funds	21.027	Not Provided	64,800	-
(Total COVID-19 – Coronavirus State and Local Fiscal Recovery Funds 21.027 \$15,554,505)				
<b>Total U.S. Department of the Treasury</b>			<b>\$ 22,075,197</b>	<b>\$ 5,741,917</b>

**Ramsey County  
Saint Paul, Minnesota**

**Schedule of Expenditures of Federal Awards  
For the Year Ended December 31, 2022  
(Continued)**

<b>Federal Grantor Pass-Through Agency Program or Cluster Title</b>	<b>Assistance Listing Number</b>	<b>Pass-Through Grant Numbers</b>	<b>Expenditures</b>	<b>Passed Through to Subrecipients</b>
<b>Election Assistance Commission</b>				
Passed Through Minnesota Secretary of State				
COVID-19 – 2018 HAVA Election Security Grants	90.404	Not Provided	\$ 146,876	\$ -
<b>U.S. Department of Health and Human Services</b>				
Direct				
Family Planning – Services	93.217		\$ 1,052,560	\$ -
Passed Through Minnesota Department of Human Services				
Guardianship Assistance	93.090	2201MNGARD	37,217	-
Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances (SED)	93.104	H79SM080155	40,856	-
Promoting Safe and Stable Families	93.556	2101MNFPS	169,996	-
Temporary Assistance for Needy Families	93.558	2201MNTANF	14,956,929	6,249,161
(Total Temporary Assistance for Needy Families 93.558 \$15,951,661)				
Child Support Enforcement	93.563	2201MNCSES	11,887,884	-
Child Support Enforcement	93.563	2201MNCES	958,599	-
(Total Child Support Enforcement 93.563 \$12,846,483)				
Refugee and Entrant Assistance – State Administered Programs	93.566	2201MNRCA	18,760	-
CCDF Cluster				
Child Care and Development Block Grant	93.575	2201MNCCDF	1,219,064	-
Community-Based Child Abuse Prevention Grants	93.590	2102MNBCAP	257,696	-
Stephanie Tubbs Jones Child Welfare Services Program	93.645	2201MNCWSS	68,266	-
Foster Care – Title IV-E	93.658	2201MNFOS	4,779,025	-
Adoption Assistance	93.659	2201MNADPT	263,388	-
Emergency Grants to Address Mental and Substance Use Disorders During COVID-19	93.665	Not Provided	195,522	-
Social Services Block Grant	93.667	2201MNSOSR	3,574,662	-
Child Abuse and Neglect State Grants	93.669	2201MNNCAN	93,399	-
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	2201MNCILP	57,384	-
COVID-19 – John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	2201MNCILP	131,129	-
(Total John H. Chafee Foster Care Program for Successful Transition to Adulthood 93.674 \$188,513)				
Children's Health Insurance Program	93.767	2205MN5021	129,104	-
Medicaid Cluster				
Medical Assistance Program	93.778	2205MN5ADM	23,805,887	-
Medical Assistance Program	93.778	2205MN5MAP	19,659	-
(Total Medical Assistance Program 93.778 \$23,825,546)				
Opioid STR	93.788	H79T1081714	289,466	-
Block Grants for Prevention and Treatment of Substance Abuse	93.959	B08TI010027/B08TI083047	926,156	-



**Ramsey County  
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**Schedule of Expenditures of Federal Awards  
For the Year Ended December 31, 2022  
(Continued)**

<b>Federal Grantor Pass-Through Agency Program or Cluster Title</b>	<b>Assistance Listing Number</b>	<b>Pass-Through Grant Numbers</b>	<b>Expenditures</b>	<b>Passed Through to Subrecipients</b>
<b>U.S. Department of Health and Human Services (Continued)</b>				
Passed Through Minnesota Department of Health				
Public Health Emergency Preparedness	93.069	NU90TP921911-01-00	168,304	-
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	93.074	Not Provided	346,647	-
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	U52PS004701-03	11,000	-
Injury Prevention and Control Research and State and Community Based Programs	93.136	Not Provided	15,039	-
Early Hearing Detection and Intervention	93.251	H61MC00035-16-02	36,735	-
Immunization Cooperative Agreements	93.268	67543	186,921	-
COVID-19 – Immunization Cooperative Agreements	93.268	67543	1,352,241	-
(Total Immunization Cooperative Agreements 93.268 \$1,539,162)				
Early Hearing Detection and Intervention Information System (EHDI-IS) Surveillance Program	93.314	Not Provided	2,411	-
COVID-19 – Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	NU5OCK000508	1,081,291	-
Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354	Not Provided	78,363	-
Innovative State and Local Public Health Strategies to Prevent and Manage Diabetes and Heart Disease and Stroke	93.435	12-700-00093	269,737	-
State Physical Activity and Nutrition (SPAN)	93.439	Not Provided	26,019	-
Temporary Assistance for Needy Families	93.558	2201MNTANF	994,732	-
(Total Temporary Assistance for Needy Families 93.558 \$15,951,661)				
Maternal, Infant, and Early Childhood Home Visiting Grant	93.870	118110	1,491,416	-
HIV Care Formula Grants	93.917	Not Provided	103,950	-
HIV Prevention Activities – Health Department Based	93.940	38884	134,761	-
Maternal and Child Health Services Block Grant to the States	93.994	86857	626,734	-
Preventative Health Services-Sexually Transmitted Diseases Control Grants	93.977	Not Provided	171,610	-
Passed Through Asian and Pacific Islander American Health Forum				
Strengthening Public Health Systems and Services Through National Partnerships to Improve and Protect the Nation's Health	93.421	Not Provided	10,000	-
<b>Total U.S. Department of Health and Human Services</b>			<b>\$ 72,040,519</b>	<b>\$ 6,249,161</b>
<b>Executive Office of the President</b>				
Direct				
High Intensity Drug Trafficking Areas Program	95.001		<b>\$ 347,057</b>	<b>\$ 87,829</b>
<b>U.S. Department of Homeland Security</b>				
Passed Through Minnesota Department of Public Safety				
Disaster Grants – Public Assistance (Presidentially Declared Disasters)	97.036	Not Provided	\$ 1,670,972	\$ -
Emergency Management Performance Grants	97.042	EMPG-2019-RAMSEYCO	300,575	-
Homeland Security Grant Program	97.067	A-UASI-2019-RAMSEYCO	449,021	-
Homeland Security Grant Program	97.067	A-UASI-2020-RAMSEYCO	239,454	-
Homeland Security Grant Program	97.067	A-UASI-2021-RAMSEYCO	44,733	-
(Total Homeland Security Grant Program 97.067 \$733,208)				

**Ramsey County  
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**Schedule of Expenditures of Federal Awards  
For the Year Ended December 31, 2022  
(Continued)**

<b>Federal Grantor Pass-Through Agency Program or Cluster Title</b>	<b>Assistance Listing Number</b>	<b>Pass-Through Grant Numbers</b>	<b>Expenditures</b>	<b>Passed Through to Subrecipients</b>
<b>U.S. Department of Homeland Security (Continued)</b>				
Passed Through Minnesota Department of Natural Resources Boating Safety Financial Assistance	97.012	R29G40CGFFY22	36,519	-
<b>Total U.S. Department of Homeland Security</b>			<b>\$ 2,741,274</b>	<b>\$ -</b>
<b>Total Federal Awards</b>			<b>\$ 122,896,394</b>	<b>\$ 19,432,671</b>
<b>Totals by Cluster</b>				
Total expenditures for Child Nutrition Cluster			\$ 70,880	
Total expenditures for SNAP Cluster			7,867,357	
Total expenditures for CDBG – Entitlement Grants Cluster			1,368,159	
Total expenditures for WIOA Cluster			1,647,843	
Total expenditures for Federal Transit Cluster			172,056	
Total expenditures for Highway Planning and Construction Cluster			2,651,218	
Total expenditures for Highway Safety Cluster			16,039	
Total expenditures for CCDF Cluster			1,219,064	
Total expenditures for Medicaid Cluster			23,825,546	

# Ramsey County

## Saint Paul, Minnesota

### Notes to the Schedule of Expenditure of Federal Awards As of and for the Year Ended December 31, 2022

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#### **Note 1 – Summary of Significant Accounting Policies**

##### **Report Entity**

The Schedule of Expenditures of Federal Awards presents the activities of federal award programs expended by Ramsey County. The County's reporting entity is defined in Note I to the financial statements.

##### **Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Ramsey County under programs of the federal government for the year ended December 31, 2022. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of Ramsey County, it is not intended to and does not present the financial position, changes in net position, or cash flows of Ramsey County.

Expenditures reported on the schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

#### **Note 2 – De Minimis Cost Rate**

Ramsey County has elected not to use the ten percent de minimis indirect cost rate allowed under the Uniform Guidance.

**Ramsey County**  
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**Note 3 – Reconciliation to Schedule of Intergovernmental Revenues**

<b>Reconciliation to Schedule of Intergovernmental Revenues</b>	
Federal grant revenue per Schedule of Intergovernmental Revenues	\$ 127,509,664
Grants received more than 60 days after year-end, considered unavailable revenue in 2022	
State Criminal Alien Assistance Program (AL No. 16.606)	26,714
Temporary Assistance for Needy Families (AL No. 93.558)	1,586
Stephanie Tubbs Jones Child Welfare Services Program (AL No. 93.645)	28,115
John H. Chafee Foster Care Program for Successful Transition to Adulthood (AL No. 93.674)	10,182
HIV Prevention Activities – Health Department Based (AL No. 93.940)	321
Maternal and Child Health Services Block Grant to the States (AL No. 93.994)	584
Unavailable revenue in 2021, recognized as revenue in 2022	
Grants to Reduce Domestic Violence, Dating Violence, Sexual Assault, and Stalking on Campus (AL No. 16.525)	(3,699)
State Criminal Alien Assistance Program (AL No. 16.606)	(140,600)
WIA – Adult Program (AL No. 17.258)	(114,780)
WIA Dislocated Worker Formula Grants (AL No. 17.278)	(46,825)
COVID-19 – Workforce Investment Act (WIA) National Emergency Grants (AL No. 17.277)	(11,991)
Temporary Assistance for Needy Families (AL No. 93.558)	(4,357,472)
Maternal and Child Health Services Block Grant to the States (AL No. 93.994)	(5,405)
Expenditures per Schedule of Expenditures of Federal Awards	<u>\$ 122,896,394</u>