

State of Minnesota



Office of the State Auditor

Julie Blaha
State Auditor

Isanti County Cambridge, 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

**Isanti County
Cambridge, 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**

Isanti County Cambridge, 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
Isanti County
Cambridge, 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, each major fund, and the aggregate remaining fund information of Isanti 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 July 10, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Isanti 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.

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. 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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. We identified a deficiency in internal control over financial reporting, described in the accompanying Schedule of Findings and Questioned Costs as item 2022-001 that we consider to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Isanti 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 Isanti County failed to comply with the provisions of the contracting – bid laws 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 as item 2022-003. Also, in connection with our audit, nothing came to our attention that caused us to believe that Isanti County failed to comply with the provisions of the depositories of public funds and public investments, 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.

Isanti County's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the 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 subject 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

July 10, 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
Isanti County
Cambridge, Minnesota

Report on Compliance for Each Major Federal Program

Qualified and Unmodified Opinions

We have audited Isanti 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 Isanti County's major federal programs for the year ended December 31, 2022. Isanti 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 Medicaid Cluster

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

Unmodified Opinion on the Other Major Federal Program

In our opinion, Isanti County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its other major federal program 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 Isanti 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 Isanti County's compliance with the compliance requirements referred to above.

Matter Giving Rise to Qualified Opinion on Medicaid Cluster

As described in the accompanying Schedule of Findings and Questioned Costs, Isanti County did not comply with requirements regarding Assistance Listing No. 93.778 Medical Assistance Program as described in finding number 2022-002 for Eligibility.

Compliance with such requirements is necessary, in our opinion, for Isanti 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 Isanti 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 Isanti 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 Isanti 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 Isanti 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 Isanti 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 Isanti 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 Isanti County's response to the noncompliance finding identified in our audit described in the accompanying Schedule of Findings and Questioned Costs. Isanti 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 a deficiency in internal control over compliance that we consider to be a material weakness.

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 deficiency in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as item 2022-002 to be a material weakness.

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 Isanti County's response to the internal control over compliance finding identified in our compliance audit described in the accompanying Schedule of Findings and Questioned Costs. Isanti 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, each major fund, and the aggregate remaining fund information of Isanti County as of and for the year ended December 31, 2022, and have issued our report thereon dated July 10, 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

July 10, 2023

Isanti County Cambridge, 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? **No**
- 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 Medicaid Cluster, which is 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 |
| 21.027 | COVID 19 – Coronavirus State and Local Fiscal Recovery Funds |
| 93.778 | Medicaid Cluster |

The threshold used to distinguish between Type A and B programs was \$750,000.

Isanti County qualified as a low-risk auditee? **Yes**

Section II – Financial Statement Findings

2022-001 Monitoring Internal Controls/Accounting Policies and Procedures Manual

Prior Year Finding Number: 2021-001

Repeat Finding Since: 2007

Type of Finding: Internal Control Over Financial Reporting

Severity of Deficiency: Significant Deficiency

Criteria: County management is responsible for developing and monitoring its internal controls. An essential element of monitoring controls would include documenting the County’s accounting policies and procedures and performing a risk assessment of existing controls over significant functions of the accounting system used to

Isanti County

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produce financial information for members of the County Board, management, and for external financial reporting. Written policies and procedures should exist to ensure the County's practices are followed as intended by management. The risk assessment is intended to determine if the internal controls established by management are still effective or if changes are needed to maintain a sound internal control structure. Changes may be necessary due to such things as organizational restructuring, updates to information systems, or changes to services being provided. Significant internal controls would cover areas such as cash and investment activities; major funding sources (taxes, intergovernmental revenues, charges for services, and miscellaneous items); expenditure processing, including new vendor set up; journal entries, and payroll.

Condition: Significant internal controls of the County's accounting system have not been documented. The County lacks written policies and procedures, including risk assessment and monitoring procedures.

Context: Without formal policies and procedures, including risk assessment and monitoring procedures, the County increases its risk of fraud. Monitoring of internal controls is necessary to determine controls are in place and operating effectively.

Effect: As a result of this condition, the County's practices may not be followed as intended by management, and employees may not understand the purpose of internal controls. The lack of risk assessment and monitoring procedures increases the risk of fraud.

Cause: Several years ago, the County began the process of developing formal policies and procedures, including monitoring and risk assessment procedures. Due to limited time and resources, the County has been unable to complete this project.

Recommendation: We recommend County management continue its efforts to document the significant internal controls in its accounting system. We further recommend that a formal plan be developed that calls for assessing and monitoring the significant internal controls on a regular basis, no less than annually. The monitoring should be documented to show the results of the review, changes required, and who performed the work.

View of Responsible Official: Acknowledge

Section III – Federal Award Findings and Questioned Costs

2022-002 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 Health and Human Services

Program: 93.778 Medical Assistance Program

Award Number and Year: 2205MN5ADM; 2022

Pass-Through Agency: Minnesota Department of Human Services

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

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the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award.

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 the sample of 40 case files tested:

- one transferred case file did not have an application or any verifications on file,
- one case file did not have documentation of verification of citizenship,
- two case files had incorrect income listed, and
- six case files did not have support for asset information, had incorrect asset information, or asset information was not properly entered into MAXIS.

Questioned Costs: Not applicable. The County administers the program, but benefits to participants in this program are paid by the State of Minnesota.

Context: The State of Minnesota Department of Human Services (DHS) contracts with county social services departments to perform the “intake function” (meeting with the social services client to determine income and categorical eligibility), while the State maintains the MAXIS system, supporting the eligibility determination process and actually pays the benefits to the participants. Currently supervisory review of case files is not being performed.

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

Effect: The improper input or updating of information into MAXIS increases the risk that a program participant will receive benefits when they are not eligible. The lack of supervisory reviews increases the risk of case errors going undetected along with increased risk of incorrect procedures not being corrected.

Cause: Program personnel entering case information into MAXIS did not ensure all required information was input into MAXIS correctly. This was caused by human errors and not obtaining verification information during case transfers. Due to staffing levels and the pandemic, supervisory review of case files is not being performed.

Recommendation: We recommend Isanti County implement additional procedures to provide reasonable assurance that all necessary documentation is properly input or updated in MAXIS and issues are followed up on in a timely manner. Consideration should be given to providing further training to program personnel. Additionally, we recommend that supervisory case reviews are performed in MAXIS.

View of Responsible Official: Acknowledge

Section IV – Other Findings and Recommendations

2022-003 **Contracting and Bidding**

Prior Year Finding Number: N/A

Repeat Finding Since: N/A

Type of Finding: Minnesota Legal Compliance

Isanti County Cambridge, Minnesota

Criteria: Pursuant to Minn. Stat. §§ 471.345, subd. 3, and 375.21, subd. 1, contracts estimated to exceed \$175,000 must be made using sealed bids solicited by public notice by advertising for bids in a qualified legal newspaper of the County or through the alternative dissemination of bids and requests as provided by Minn. Stat. § 331A.03.

Condition: Neither the County nor the Project Manager advertised for bids in the County's qualified legal newspaper for the bids solicited as part of the County's jail improvement project.

Seventeen individual contracts were formally bid, approved, and awarded as part of the overall jail improvement project.

Context: Individual departments are responsible for overseeing the contracting and bidding process for their own projects. The County hired a Project Manager to oversee the jail improvement project.

Effect: Noncompliance with Minn. Stat. §§ 471.345, subd. 3, and 375.21, subd. 1.

Cause: Miscommunication between the County and the Project Manager resulted in the solicitation of bids being published to multiple construction websites by the Project Manager but not in the County's qualified legal newspaper as required by statute.

Recommendation: We recommend the County implement procedures to ensure compliance with contracting requirements.

View of Responsible Official: Acknowledge



ISANTI COUNTY AUDITOR-TREASURER

Chad Struss, Auditor-Treasurer

555 18th Avenue SW

Cambridge, MN 55008

Phone: (763) 689-1644

Fax: (763) 689-8210

REPRESENTATION OF ISANTI COUNTY CAMBRIDGE, MINNESOTA

CORRECTIVE ACTION PLAN FOR THE YEAR ENDED DECEMBER 31, 2022

Finding Number: 2022-001

Finding Title: Monitoring Internal Controls/Accounting Policies and Procedures Manual

Name of Contact Person Responsible for Corrective Action:

Kelsey Lakeberg, Finance Director

Corrective Action Planned:

1. The County will adopt additional accounting policies and procedures as part of its ongoing long-term financial planning process.
2. The County will develop a formal plan to test and monitor internal controls on an annual basis.

Anticipated Completion Date:

The County plans to adopt the additional accounting policies and procedures by the end of the fourth quarter of 2023. The County plans to complete the plan to test and monitor internal controls by the end of the fourth quarter of 2023.

Finding Number: 2022-002

Finding Title: Eligibility

Program: 93.778 Medicaid Cluster

Name of Contact Person Responsible for Corrective Action:

Penny Messer, Health and Human Services Division Leader, and Karrie Kolb, Financial Assistance Supervisor

Corrective Action Planned:

The errors from this review will be thoroughly discussed at the next all unit meeting. The Income Maintenance Supervisor plans to meet with each worker independently to review the errors and ensure understanding of policy and requirements, and a coaching plan will be implemented with each employee that had two or more case errors. Additionally, the Income Maintenance unit will conduct an average of 15 case reviews on a quarterly basis.

Anticipated Completion Date:

These actions were implemented on June 6, 2023, and the case reviews will begin in the third quarter of 2023, and be completed on an ongoing basis thereafter.

Finding Number: 2022-003

Finding Title: Contract and Bidding

Name of Contact Person Responsible for Corrective Action:

Kelsey Lakeberg, Finance Director

Corrective Action Planned:

The County will provide training on its purchasing policy and state statutes regarding contracting and bid laws with all department heads. As part of the training, the County will emphasize the need to retain documentation as evidence of compliance with statutory requirements.

Anticipated Completion Date:

The County plans to provide training on the County purchasing policy and state statutes regarding contracting and bid laws to all departments by the end of third quarter 2023.



ISANTI COUNTY AUDITOR-TREASURER

Chad Struss, Auditor-Treasurer

555 18th Avenue SW
Cambridge, MN 55008
Phone: (763) 689-1644
Fax: (763) 689-8210

REPRESENTATION OF ISANTI COUNTY CAMBRIDGE, MINNESOTA

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS FOR THE YEAR ENDED DECEMBER 31, 2022

Finding Number: 2021-001

Year of Finding Origination: 2007

Finding Title: Monitoring Internal Controls/Accounting Policies and Procedures Manual

Summary of Condition: Significant internal controls of the County's accounting system have not been documented. The County lacks written policies and procedures, including risk assessment and monitoring procedures.

Summary of Corrective Action Previously Reported: The County will adopt additional accounting policies and procedures as part of its ongoing long-term financial planning process and will develop a formal plan to test and monitor internal controls on an annual basis.

Status: Not Corrected. The County has limited staff available to document and test its internal controls. However, the County continues to adopt additional policies and procedures as well as revise existing policies and procedures. The County plans to address monitoring of internal controls in future updates to its policies and procedures. Please see corrective action plan for further information.

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

Finding Number: 2021-002

Year of Finding Origination: 2021

Finding Title: Administrative Tickets Program

Summary of Condition: The County has adopted an ordinance providing for administrative fines for a number of offenses including speeding under ten miles per hour over the posted speed limit. During testing of administrative tickets issued during 2021, three of the ten administrative tickets tested were issued for speeding 10 mph or more over the speed limit.

Summary of Corrective Action Previously Reported: The County will 1) train staff on the administrative ticket program and require all staff to acknowledge completion of the training in writing, 2) provide staff with a reference guide of program requirements for use when issuing administrative tickets, and 3) the Sheriff will suspend the administrative ticket program indefinitely until staff receives the additional training on the program.

Status: Fully corrected. Corrective action was taken.

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

**Isanti County
Cambridge, Minnesota**

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

| Federal Grantor Pass-Through Agency Program or Cluster Title | Assistance Listing Number | Pass-Through Grant Numbers | Expenditures |
|--|---------------------------------|----------------------------------|--------------------------|
| U.S. Department of Agriculture | | | |
| Passed Through Minnesota Department of Health Special Supplemental Nutrition Program for Women, Infants, and Children | 10.557 | 202792 | \$ 184,436 |
| Passed Through Minnesota Department of Human Services SNAP Cluster State Administrative Matching Grants for the Supplemental Nutrition Assistance Program | 10.561 | 222MN101S2514 | <u>303,149</u> |
| Total U.S. Department of Agriculture | | | <u>\$ 487,585</u> |
| U.S. Department of Justice | | | |
| Passed Through Minnesota Department of Public Safety Crime Victim Assistance | 16.575 | A-CVS-2022-ISANTIAO-041 | \$ 69,661 |
| Violence Against Women Formula Grants | 16.588 | A-SMART-2021-ISANTIAO-00003 | <u>11,945</u> |
| Total U.S. Department of Justice | | | <u>\$ 81,606</u> |
| U.S. Department of Transportation | | | |
| Passed through Minnesota Department of Transportation Highway Planning and Construction Cluster Highway Planning and Construction | 20.205 | 3022228 | \$ 141,770 |
| Passed through the Minnesota Department of Public Safety Highway Safety Cluster State and Community Highway Safety | 20.600 | A-SAFE2-2022-ISANTIPH-017 | 6,167 |
| State and Community Highway Safety (Total State and Community Highway Safety 20.600 \$34,816) | 20.600 | F-NECPS22-2022-ISANTISO-005 | 28,649 |
| Passed through City of Isanti, Minnesota Minimum Penalties for Repeat Offenders for Driving While Intoxicated | 20.608 | Not provided | <u>4,794</u> |
| Total U.S. Department of Transportation | | | <u>\$ 181,380</u> |
| U.S. Department of the Treasury | | | |
| Direct COVID-19 – Coronavirus State and Local Fiscal Recovery Funds | 21.027 | | <u>\$ 2,954,312</u> |
| U.S. Department of Education | | | |
| Passed through Minnesota Department of Health Special Education-Grants for Infants and Families | 84.181 | B04MC32551 | <u>\$ 3,420</u> |

**Isanti County
Cambridge, Minnesota**

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

| Federal Grantor Pass-Through Agency Program or Cluster Title | Assistance Listing Number | Pass-Through Grant Numbers | Expenditures |
|---|---------------------------------|----------------------------------|---------------------|
| U.S. Department of Health and Human Services | | | |
| Passed through Minnesota Department of Health | | | |
| Public Health Emergency Preparedness | 93.069 | 161403 | \$ 30,220 |
| Early Hearing Detection and Intervention | 93.251 | Not provided | 675 |
| Immunization Cooperative Agreements | 93.268 | 185559 | 7,155 |
| Immunization Cooperative Agreements | 93.268 | 191961 | 38,149 |
| (Total Immunization Cooperative Agreements 93.268 \$45,304) | | | |
| COVID-19 – Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) | 93.323 | 191961 | 29,180 |
| Temporary Assistance for Needy Families | 93.558 | 2201MNTANF | 36,278 |
| (Total Temporary Assistance for Needy Families 93.558 \$303,359) | | | |
| Maternal and Child Health Services Block Grant to the States | 93.994 | B04MC32551 | 28,040 |
| Passed through Minnesota Department of Human Services | | | |
| Promoting Safe and Stable Families | 93.556 | 2101MNF PSS | 2,821 |
| Temporary Assistance for Needy Families | 93.558 | 2201MNTANF | 267,081 |
| (Total Temporary Assistance for Needy Families 93.558 \$303,359) | | | |
| Child Support Enforcement | 93.563 | 2201MNCSES | 184,581 |
| Child Support Enforcement | 93.563 | 2201MNCES T | 731,750 |
| (Total Child Support Enforcement 93.563 \$916,331) | | | |
| Refugee and Entrant Assistance - State Administered Programs CCDF Cluster | 93.566 | 2201MNR CMA | 480 |
| Child Care and Development Block Grant | 93.575 | 2201MNC CDF | 26,531 |
| Community-Based Child Abuse Prevention Grants | 93.590 | 2102MNBCAP | 414 |
| Stephanie Tubbs Jones Child Welfare Services Program | 93.645 | 2101MNCWSS | 3,198 |
| Foster Care – Title IV-E | 93.658 | 2201MNFOST | 164,624 |
| Social Services Block Grant | 93.667 | 2201MNSOSR | 169,760 |
| Child Abuse and Neglect State Grants | 93.669 | 2101MNNCAN | 4,203 |
| COVID-19 – John H. Chafee Foster Care Program for Successful Transition to Adulthood | 93.674 | 2101MNCILC | 10,793 |
| John H. Chafee Foster Care Program for Successful Transition Adulthood | 93.674 | 2201MNCILP | 2,463 |
| (Total John H. Chafee Foster Care Program for Successful Transition 93.674 \$13,256) | | | |
| Children's Health Insurance Program | 93.767 | 2205MN5021 | 1,499 |
| Medicaid Cluster | | | |
| Medical Assistance Program | 93.778 | 2205MN5ADM | 1,069,856 |
| Medical Assistance Program | 93.778 | 2205MN5MAP | 27,465 |
| (Total Medical Assistance Program 93.778 \$1,097,321) | | | |
| Total U.S. Department of Health and Human Services | | | \$ 2,837,216 |
| U.S. Department of Homeland Security | | | |
| Passed through Minnesota Department of Public Safety | | | |
| Emergency Management Performance Grants | 97.042 | F-EMPG-2020-ISANTICO-3627 | \$ 24,577 |
| Total Federal Awards | | | \$ 6,570,096 |

Isanti County did not pass any federal awards through to subrecipients during the year ended December 31, 2022.

**Isanti County
Cambridge, Minnesota**

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

| Federal Grantor Pass-Through Agency Program or Cluster Title | Assistance Listing Number | Pass-Through Grant Numbers | Expenditures |
|--|---------------------------------|----------------------------------|--------------|
| Totals by Cluster | | | |
| Total expenditures for SNAP Cluster | | | \$ 303,149 |
| Total expenditures for Highway Planning and Construction Cluster | | | 141,770 |
| Total expenditures for Highway Safety Cluster | | | 34,816 |
| Total expenditures for CCDF Cluster | | | 26,531 |
| Total expenditures for Medicaid Cluster | | | 1,097,321 |

**Isanti County
Cambridge, Minnesota**

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

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 Isanti County. The County's reporting entity is defined in Note 1 to the financial statements.

Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Isanti 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 Isanti County, it is not intended to and does not present the financial position, changes in net position, or cash flows of Isanti 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

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

Note 3 – Reconciliation to Schedule of Intergovernmental Revenue

| Reconciliation to Schedule of Intergovernmental Revenue | |
|---|---------------------|
| Federal grant revenue per Schedule of Intergovernmental Revenue | \$ 6,589,985 |
| Grants received more than 60 days after year-end, considered unavailable revenue in 2022 | |
| Promoting Safe and Stable Families (AL No. 93.556) | 724 |
| Stephanie Tubbs Jones Child Welfare Services Program (AL No. 93.645) | 1,290 |
| John H. Chafee Foster Care Program for Successful Transition to Adulthood (AL No. 93.674) | 616 |
| Homeland Security Grant Program (AL No. 97.067) | 11,308 |
| Unavailable revenue in 2021, recognized as revenue in 2022 | |
| Temporary Assistance for Needy Families (AL No. 93.558) | (13,815) |
| Community-Based Child Abuse and Prevention Grants (AL No. 93.590) | (408) |
| State Children's Insurance Program (AL No. 93.767) | (722) |
| Homeland Security Grant Program (AL No. 97.067) | (11,308) |
| Revenue received in 2022 and expended in 2021 | |
| Maternal and Child Health Services Block Grant to the States (AL No. 93.994) | (7,574) |
| Expenditures per Schedule of Expenditures of Federal Awards | <u>\$ 6,570,096</u> |