

**Howard County Public School System**

**Single Audit Report**

**June 30, 2022**

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# Howard County Public School System

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

To the Board of Education  
Howard County, Maryland

Report on Compliance for Each Major Federal Program

*Opinion on Each Major Federal Program*

We have audited the Howard County Public School System's ("HCPSS") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of HCPSS's major federal programs for the year ended June 30, 2022. HCPSS's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, HCPSS complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

*Basis for Opinion on Each Major Federal Program*

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

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

*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 HCPSS's major 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 to express an opinion on HCPSS's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about HCPSS's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding HCPSS's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of HCPSS'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 HCPSS'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.

### Report on Internal Control over Compliance

*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.

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. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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.

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 HCPSS, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise HCPSS's basic financial statements. We issued our report thereon, dated September 30, 2022, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

*CohnReznick LLP*

Baltimore, Maryland  
January 27, 2023

## Howard County Public School System

### Schedule of Expenditures of Federal Awards Year Ended June 30, 2022

Federal grantor/pass-through grantor/program or cluster title	Federal assistance listing number	Pass-through entity identifying number	Passed through to subrecipients	Total federal expenditures
<u>U.S. Department of Agriculture</u>				
<i>Passed Through Maryland State Department of Education</i>				
Child Nutrition Cluster				
School Breakfast Program	10.553	None provided	N/A	\$ 5,085,764
National School Lunch Program	10.555	None provided	N/A	21,795,901
National School Lunch Program - Non-Cash Commodities	10.555	None provided	N/A	1,472,419
Total National School Lunch Program				23,268,320
Summer Food Service Program for Children	10.559	None provided	N/A	757,730
Total Child Nutrition Cluster				29,111,814
Child and Adult Care Food Program	10.558	None provided	N/A	109,309
Total U.S. Department of Agriculture				29,221,123
<u>U.S. Department of the Treasury</u>				
<i>Passed Through Howard County, Maryland</i>				
COVID-19 - Coronavirus Relief Fund	21.019	21130008	N/A	500,293
<i>Passed Through Howard County, Maryland</i>				
Coronavirus State and Local Fiscal Recovery Funds				
COVID-19 - FY 22 ARP SLRF	21.027	22130021	N/A	9,999,988
<i>Passed Through Maryland State Department of Education</i>				
Coronavirus State and Local Fiscal Recovery Funds				
COVID-19 - FY21 ARP Supplemental School Reopening	21.027	21179201	N/A	569,901
COVID-19 - FY21 ARP Trauma & Behavioral Health	21.027	21180301	N/A	117,293
COVID-19 - FY21 ARP Supplemental Summer School (inactive)	21.027	21182801	N/A	639,681
COVID-19 - FY22 ARP Supplemental Instruction and Tutoring	21.027	21184501	N/A	221,695
Total Coronavirus State and Local Fiscal Recovery Funds				11,548,558
Total U.S. Department of the Treasury				12,048,851
<u>U.S. Department of Education</u>				
<i>Passed Through Maryland State Department of Education</i>				
Title 1 Grants to Local Educational Agencies				
FY 20 Title I	84.010	20099601	N/A	172
FY 21 Title I	84.010	21111301	N/A	2,909,844
FY 22 Title I	84.010	22156401	N/A	2,480,367
Total Title 1 Grants to Local Educational Agencies				5,390,383
<i>Passed Through Maryland State Department of Education</i>				
Special Education Cluster (IDEA)				
Special Education - Grants to States				
FY20 PPPS Passthrough	84.027	20027802	N/A	50
FY20 Part B 611 CCEIS	84.027	20027803	N/A	424,057
FY20 AEP LIR	84.027	20117302	N/A	85,477
FY20 Secondary Transition LIR	84.027	20117303	N/A	87,093
FY21 Passthrough	84.027	21027001	N/A	1,073,532
FY21 Part B 611 CCEIS	84.027	21027003	N/A	732,464
FY21 SECAC	84.027	21027004	N/A	525
FY21 Part B 611	84.027	21028701	N/A	100,784
FY21 Early Childhood LIR	84.027	21121001	N/A	(763)
FY21 Secondary Transition LIR	84.027	21121002	N/A	61,640
FY21 AEP Reading	84.027	21121003	N/A	107,834
FY22 CLIG Part B 611	84.027	22014801	N/A	88,079
FY22 Passthrough	84.027	22040601	N/A	7,171,806
FY22 Part B 611 CCEIS	84.027	22040603	N/A	30,860
FY22 SECAC	84.027	22040604	N/A	1,280
FY22 Part B 611 Family Support System	84.027	22040605	N/A	16,145
FY22 ARP Part B 611 Passthrough	84.027	22119201	N/A	897,466
Total Special Education - Grants to States				10,878,329

## Howard County Public School System

### Schedule of Expenditures of Federal Awards Year Ended June 30, 2022

Federal grantor/pass-through grantor/program or cluster title	Federal assistance listing number	Pass-through entity identifying number	Passed through to subrecipients	Total federal expenditures
<i>Special Education - Preschool Grants</i>				
FY19 PPPS Passthrough (inactive)	84.173	19026602	N/A	2
FY20 Preschool Passthrough (inactive)	84.173	20026601	N/A	40,190
FY20 CCEIS Preschool (inactive)	84.173	20026603	N/A	41,117
FY21 I&T Part B 619 Extended (inactive)	84.173	20185702	N/A	511
FY21 Preschool Passthrough	84.173	21040601	N/A	86,295
FY21 PPPS Preschool	84.173	21040602	N/A	1
FY22 Part B 619 Preschool Passthrough	84.173	22036501	N/A	134,786
FY22 Part B 619 Preschool Passthrough PPPSS	84.173	22036502	N/A	4,593
FY22 Part B 619 Discretionary	84.173	22051301	N/A	9,000
FY22 Part B 619 Extended	84.173	22051302	N/A	2,863
FY22 ARP Part B 619 Preschool Passthrough	84.173	22118901	N/A	88,760
FY22 ARP Part B 619 Preschool Passthrough PPPSS	84.173	22118902	N/A	3,358
				<u>411,476</u>
<b>Total Special Education - Preschool Grants</b>				<u>411,476</u>
<b>Total Special Education Cluster</b>				<u>11,289,805</u>
<i>Passed Through Maryland State Department of Education</i>				
<i>Special Education - Grants for Infants and Families</i>				
FY21 I&T Part C	84.181	21030901	N/A	65,992
FY21 I&T Part C Discretionary	84.181	21030902	N/A	45,832
FY22 CLIG Part C	84.181	22032801	N/A	218,786
FY22 Part C SSIP	84.181	22032802	N/A	14,027
FY22 IDEA-ARP Extended IFSP Readiness	84.181	22175201	N/A	2,328
				<u>346,965</u>
<b>Total Special Education - Grants for Infants and Families</b>				<u>346,965</u>
<i>Passed Through Maryland State Department of Education</i>				
<i>Career and Technical Education - Basic Grants to States</i>				
FY21 Perkins	84.048	21054201	N/A	113,397
FY22 Perkins	84.048	22052301	N/A	305,007
				<u>418,404</u>
<b>Total Career and Technical Education - Basic Grants to States</b>				<u>418,404</u>
<i>Passed Through Maryland State Department of Education</i>				
<i>Education for Homeless Children and Youth</i>				
FY21 Homeless Education Assistance Program	84.196	21131901	N/A	71,825
FY22 Homeless Education Assistance Program	84.196	22157801	N/A	17,554
				<u>89,379</u>
<b>Total Education for Homeless Children and Youth</b>				<u>89,379</u>
<i>Passed Through Maryland State Department of Education</i>				
<i>Twenty-First Century Community Learning Centers</i>				
FY21 Bridges to Success	84.287	21080301	N/A	122,446
FY21 Bridges to Higher Learning	84.287	21080601	N/A	46,697
FY22 Bridges to Higher Learning	84.287	22088701	N/A	399,958
FY22 Bridges to Success	84.287	22089701	N/A	399,979
				<u>969,080</u>
<b>Total Twenty-First Century Community Learning Centers</b>				<u>969,080</u>
<i>Passed Through Maryland State Department of Education</i>				
<i>English Language Acquisition State Grants</i>				
FY20 ELA	84.365	20073401	N/A	116,908
FY20 ELA Immigrant	84.365	20073402	N/A	9,819
FY21 Title III ELA Grant	84.365	21047001	N/A	113,986
FY22 Title III ELA	84.365	22066601	N/A	10,877
				<u>251,590</u>
<b>Total English Language Acquisition State Grants</b>				<u>251,590</u>

## Howard County Public School System

### Schedule of Expenditures of Federal Awards Year Ended June 30, 2022

Federal grantor/pass-through grantor/program or cluster title	Federal assistance listing number	Pass-through entity identifying number	Passed through to subrecipients	Total federal expenditures
<i>Passed Through Maryland State Department of Education</i>				
Supporting Effective Instruction State Grants				
FY19 Title IIA Teacher Development	84.367	19137401	N/A	93,801
FY20 Title IIA	84.367	20105701	N/A	814,028
FY21 Title IIA Teacher Development	84.367	21079701	N/A	445,329
FY22 Title IIA Supporting Effective Instruction	84.367	22105701	N/A	<u>71,828</u>
Total Supporting Effective Instruction State Grants				<u>1,424,986</u>
<i>Passed Through Maryland State Department of Education</i>				
Comprehensive Literacy Development				
FY20 Striving Readers Comprehensive Literacy	84.371	20124701	N/A	<u>184,914</u>
Total Comprehensive Literacy Development				<u>184,914</u>
<i>Passed Through Maryland State Department of Education</i>				
Student Support and Academic Enrichment Program				
FY20 Title IV, Part A	84.424	20157401	N/A	248,819
FY21 Title IV, Part A	84.424	21137201	N/A	323,508
FY22 Lead Higher Project	84.424	22084801	N/A	50,000
FY22 Title IV, Part A	84.424	22152301	N/A	<u>10,400</u>
Total Student Support and Academic Enrichment Program				<u>632,727</u>
<i>Passed Through Maryland State Department of Education</i>				
Education Stabilization Fund				
COVID-19 - FY20 ESSER	84.425D	20179601	N/A	161,691
COVID-19 - GEER Fund	84.425C	20188701	N/A	14,071
COVID-19 - FY21 GEER Competitive Grant	84.425C	20201801	N/A	209,284
COVID-19 - FY21 ESSER Reopening	84.425D	20203701	N/A	351,230
COVID-19 - FY21 ESSER II Grant	84.425D	20223501	N/A	6,984,580
COVID-19 - FY21 Achieving Academic Equity for Black Boys	84.425D	21173001	N/A	92,044
COVID-19 - FY22 ESSER III	84.425D	21193701	N/A	15,866,303
COVID-19 - FY22 ARP Homeless Children and Youth Part I	84.425D	22157901	N/A	1,535
COVID-19 - FY22 Expanding AP Opportunities for Low Income Students	84.425D	22159401	N/A	<u>35,579</u>
Total Education Stabilization Fund				<u>23,716,317</u>
Impact Aid	84.041	N/A	N/A	<u>145,107</u>
Total U.S. Department of Education				<u>44,859,657</u>



**Howard County Public School System**

**Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2022**

Federal grantor/pass-through grantor/program or cluster title	Federal assistance listing number	Pass-through entity identifying number	Passed through to subrecipients	Total federal expenditures
<u>U.S. Department of Health and Human Services</u>				
<i>Passed Through Maryland State Department of Education</i>				
Every Student Succeeds Act/Preschool Development Grants FY21 I&T PDG	93.434	21145801	N/A	<u>9,208</u>
<i>Passed Through US Health Resources &amp; Services Administration</i>				
COVID-19 - Provider Relief Fund and American Rescue Plan (ARP) Rural Distribution	93.498	21130021	N/A	<u>53,296</u>
CCDF Cluster				
Child Care and Development Block Grant FY22 I&T Blueprint for MD Future	93.575	22023702	N/A	<u>192,692</u>
Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response COVID-19 - FY23 HCHD Covid-19 Public Health Workforce Supplemental	93.354	23130001	N/A	<u>100,424</u>
Total U.S. Department of Health and Human Services				<u>355,620</u>
<u>U.S. Department of Justice</u>				
STOP School Violence FY20 STOP School Violence	16.839	20130034	N/A	<u>31,344</u>
<u>Federal Communications Commission</u>				
FY22 Emergency Connectivity Fund Program	32.009	None provided	N/A	<u>8,408,291</u>
<i>Passed Through the Governor's Office of Crime Control and Prevention</i>				
Coronavirus Emergency Supplemental Funding Program COVID-19 - FY21 HCPSS Coronavirus Emergency Program	16.034	21130022	N/A	<u>63,892</u>
<u>U.S. Department of Defense - Direct Awards</u>				
Language Grant Program				
FY22 STARTALK Summer Grant	12.900	None provided	N/A	78,439
FY22 STARTALK Pilot	12.900	None provided	N/A	<u>25,458</u>
Total Language Grant Program				<u>103,897</u>
GenCyber Grants Program				
FY21 GenCyber - PVMS	12.903	None provided	N/A	<u>5,356</u>
Total U.S. Department of Defense				<u>109,253</u>
Total Expenditures of Federal Awards				<u>\$ 95,098,031</u>

See Notes to Schedule of Expenditures of Federal Awards.

**Howard County Public School System**

**Notes to Schedule of Expenditures of Federal Awards  
June 30, 2022**

**Note 1 - Reporting entity**

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the Howard County Public School System ("HCPSS"), a component unit of Howard County, Maryland, under programs of the federal government for the year ended June 30, 2022.

**Note 2 - Summary of significant accounting policies**

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"). Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. This basis of accounting is fully described in the Summary of Significant Accounting Policies to HCPSS's financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Because the Schedule presents only a selected portion of operations of HCPSS, it is not intended to and does not present the financial position, changes in net position, or cash flows of HCPSS.

The value of food commodities donated by the United States Department of Agriculture (the "Department") is determined by the Department and is included in revenues and expenditures in the year received.

**Note 3 - Relation to the financial statements and federal financial reports**

Amounts reported in the Schedule agree with amounts reported in HCPSS's basic financial statements and the related federal financial reports submitted by HCPSS, except as indicated below.

Federal revenues per the financial statements are reconciled to the Schedule as follows:

Total federal revenues per financial statements	\$ 95,251,991
Federal revenues reported as local intergovernmental revenue on financial statements	692,984
Provider Relief Funds reported in the Schedule but recorded as prior year revenue	20,775
Federal revenues not included in the Schedule	
Medical assistance revenue	(640,826)
U.S. ROTC revenue	(226,893)
	<hr/>
Total federal revenues per Schedule of Expenditures of Federal Awards	<u>\$ 95,098,031</u>

## Howard County Public School System

### Notes to Schedule of Expenditures of Federal Awards June 30, 2022

#### **Note 4 - COVID-19 Provider Relief Fund and American Rescue Plan ("ARP") Rural Distribution - Assistance Listing Number 93.498**

For the U.S. Department of Health and Human Services ("HHS") awards related to the Provider Relief Fund ("PRF") and American Rescue Plan ("ARP") Rural Distribution program, HHS has indicated that the amounts on the schedule be reported corresponding to reporting requirements of the HRSA PRF Reporting Portal. Payments from HHS for PRF are assigned to 'Payment Received Periods' (each, a Period) based upon the date each payment from the PRF was received. Each Period has a specified Period of Availability and timing of reporting requirements. Entities report into the HRSA PRF Reporting Portal after each Period's deadline to use the funds (i.e., after the end of the Period of Availability).

The Schedule includes \$20,775 received from HHS between July 1, 2020 through December 31, 2020. In accordance with guidance from HHS, this amount is considered Period 2 funding. Such amounts were recognized in the fiscal year ended June 30, 2021 as grant revenue in the year expensed in the financial statements.

The Schedule includes \$32,521 received from HHS between January 1, 2021 through June 30, 2021. In accordance with guidance from HHS, this amount is considered Period 3 funding. Such amounts were recognized in the fiscal year ended June 30, 2022 as grant revenue in the year expensed in the financial statements.

Provider Relief Funds of \$20,775 related to Period 2 were included on the 2021 Schedule of Expenditures of Federal Awards ("SEFA"). Per guidance released by HHS in July 2021, recipients of Provider Relief Funds for Period 2 with a June year-end should have included those amounts in the 2022 SEFA only.

#### **Note 5 - Indirect cost rate**

HCPSS has not elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

**Howard County Public School System**  
**Schedule of Findings and Questioned Costs**  
**Year Ended June 30, 2022**

**A. Summary of Auditor's Results**

*Financial Statements*

Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified opinion

Internal control over financial reporting:

- Material weakness(es) identified?  X  Yes      No
- Significant deficiency(ies) identified?      Yes  X  None reported

Noncompliance material to financial statements noted?      Yes  X  No

*Federal Awards*

Internal control over major programs:

- Material weakness(es) identified?      Yes  X  No
- Significant deficiency(ies) identified?      Yes  X  None reported

Type of auditor's report issued on compliance for major federal programs: Unmodified opinion

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?      Yes  X  No

Identification of major programs:

<u>Name of federal program or cluster</u>	<u>Federal assistance listing numbers</u>	<u>Federal expenditures</u>
Education Stabilization Fund	84.425	\$ 23,716,317
Coronavirus State and Local Fiscal Recovery Funds	21.027	\$ 11,548,558
Emergency Connectivity Fund Program	32.009	\$ 8,408,291

Dollar threshold used to distinguish between Type A and Type B programs: \$2,852,941

Auditee qualified as low-risk auditee:      Yes  X  No

**Howard County Public School System**  
**Schedule of Findings and Questioned Costs**  
**Year Ended June 30, 2022**

**B. Findings - Financial Statement Audit**

**2022-001 - Revenue Recognition**

**Statement of Condition:** During the year end closing process, HCPSS recorded inaccurate adjustments to revenue in the Restricted Programs Fund.

**Criteria:** Internal controls over financial reporting should exist to ensure that material misstatements are prevented or detected and corrected by management in a timely manner.

**Cause:** Management did not have a sufficient review process in place over the adjustments related to revenue in the Restricted Programs Fund.

**Effect:** Management may produce interim or annual financial statements that are materially misstated.

**Recommendation:** We have the following recommendation related to the internal control processes that impact revenue recognition in the Restricted Programs Fund:

- We recommend that HCPSS provide proper oversight and review of the recording and approval processes related to revenue recognition. HCPSS needs to ensure that they have multiple levels of resources that have a sufficient understanding of the laws, agreements, and accounting principles pertinent to the grants and similar programs associated with the fund.

**View of Responsible Officials Pertaining to 2022-001**

- HCPSS is in the process of reengineering its internal processes for the accounting of its Restricted Programs Fund. This includes two additional hires - a grant budget analyst and grant accountant - who will support the Restricted Programs Fund in providing enhanced oversight and compliance with generally accepted accounting principles throughout the year.

**C. Findings and Questioned Costs - Major Federal Award Programs Audit**

No matters were reported.



**Independent Member of Nexia International**

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