

State of Minnesota



Office of the State Auditor

Julie Blaha
State Auditor

Audit Practice Division

Anoka County Anoka, Minnesota

Management and Compliance Report

Year Ended December 31, 2024

Anoka County Anoka, 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 and
Internal Audit Committee Members
Anoka County
Anoka, Minnesota

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Anoka County, Minnesota, as of and for the year ended December 31, 2024, 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 10, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Anoka 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 opinions 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. We identified a deficiency in internal control over financial reporting, described in the accompanying Schedule of Findings and Questioned Costs as item 2024-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Anoka 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, nothing came to our attention that caused us to believe that Anoka County failed to comply with the provisions of the contracting – bid laws, 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*, promulgated by the State Auditor pursuant to Minn. Stat. § 6.65, 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.

Anoka County's Response to Findings

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

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control over financial reporting and 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 10, 2025

/s/Chad Struss

Chad Struss, CPA
Deputy State Auditor

**Report on Compliance for Each Major Federal Program and Report on Internal
Control Over Compliance Required by the Uniform Guidance**Independent Auditor's Report

Board of County Commissioners and
Internal Audit Committee Members
Anoka County
Anoka, Minnesota

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

We have audited Anoka 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 Anoka County's major federal programs for the year ended December 31, 2024. Anoka County'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, Anoka County 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 December 31, 2024.

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; 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 Anoka 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of Anoka County'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 Anoka 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 Anoka 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 Anoka 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 the 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 the 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 the 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.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance, and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2024-002, 2024-003, and 2024-004. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on Anoka County's response to the noncompliance findings identified in our compliance audit described in the accompanying Schedule of Findings and Questioned Costs. Anoka 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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. 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 2024-002, 2024-003, and 2024-004 to be significant deficiencies.

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

Government Auditing Standards requires the auditor to perform limited procedures on Anoka 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. Anoka 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.

/s/Julie Blaha

Julie Blaha
State Auditor

June 10, 2025

/s/Chad Struss

Chad Struss, CPA
Deputy State Auditor

Anoka County

Anoka, Minnesota

Schedule of Findings and Questioned Costs For the Year Ended December 31, 2024

Section I – Summary of Auditor’s Results

Financial Statements

Type of 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? **None reported**

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

Federal Awards

Internal control over the major federal programs:

- Material weaknesses identified? **No**
- Significant deficiencies identified? **Yes**

Type of auditor’s report issued on compliance for the major federal programs: **Unmodified**

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

Identification of the major federal programs:

Assistance Listing Number	Name of Federal Program or Cluster
10.561	SNAP Cluster
20.205	Highway Planning and Construction
21.027	COVID-19 – Coronavirus State and Local Fiscal Recovery Funds
93.558	Temporary Assistance for Needy Families

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

Anoka County qualified as a low-risk auditee? **No**

Section II – Financial Statement Findings

2024-001 Material Audit Adjustments

Prior Year Finding Number: N/A

Year of Finding Origination: 2024

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

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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: Material audit adjustments were 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. These adjustments were found in the audit; however, independent external auditors cannot be considered part of the County's internal control.

Effect: The following audit adjustments were reviewed and approved by management and are reflected in the financial statements:

- The Road and Bridge Special Revenue Fund required adjustments of \$8,300,538; \$2,867,694; and \$5,432,844 to increase due from other governments, deferred inflows of resources, and intergovernmental revenue, respectively, to account for additional receivables.
- The Road and Bridge Special Revenue Fund required an adjustment of \$8,460,005 to decrease miscellaneous revenue and increase intergovernmental revenue to correctly record receipts from the Minnesota Department of Transportation for reimbursement of services.
- The Capital Projects Fund required an adjustment of \$6,210,156 to decrease property tax revenue and increase intergovernmental revenue for shared revenue received from the Minnesota Department of Transportation.

Cause: Staff overlooked this activity when financial statements were prepared.

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

Section III – Federal Award Findings and Questioned Costs

2024-002 Suspension and Debarment

Prior Year Finding Number: N/A

Year of Finding Origination: 2024

Type of Finding: Internal Control Over Compliance and Compliance

Severity of Deficiency: Significant Deficiency and Other Matter

Federal Agency: U.S. Department of Health and Human Services

Programs: 10.561 State Administrative Matching Grants for the Supplemental Nutrition Assistance Program

Award Number and Year: 242MN101S2514, 242MN101S2520, 242MN127Q7503; 2024

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

Federal requirements prohibit non-federal entities from contracting with or making subawards under covered transactions to parties that are suspended or debarred. Title 2 U.S. *Code of Federal Regulations* § 180.300 describes a required verification process. Prior to entering into the transaction, one of the following must be performed: (1) checking SAM.gov exclusions, (2) collecting a certification, or (3) adding a clause or condition to the covered transaction.

Condition: For two of the four covered transactions tested, the County did not maintain documentation of verification that the vendors were not suspended or debarred prior to entering into the covered transactions.

Questioned Costs: None.

Context: The County entered into a total of 16 covered transactions during the year using State Administrative Matching Grants for the Supplemental Nutrition Assistance Program funds. The vendors tested that did not have documentation of verification prior to entering the transaction were not listed as suspended or debarred on SAM.gov at the time of the audit.

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

Effect: Failure to verify vendors are not suspended, debarred, or otherwise excluded prior to entering into a covered transaction may result in the County entering into a transaction with a vendor that is not authorized to provide goods and services under the grant.

Cause: The County did not anticipate paying for these expenditures using federal funds and therefore did not perform or document the search for suspension and debarment.

Recommendation: We recommend the County maintain documentation to demonstrate that vendors were not debarred, suspended or otherwise excluded from conducting business with the County; this documentation should be completed prior to entering into a covered transaction.

View of Responsible Official: Concur

2024-003 Suspension and Debarment

Prior Year Finding Number: N/A

Year of Finding Origination: 2024

Type of Finding: Internal Control Over Compliance and Compliance

Severity of Deficiency: Significant Deficiency and Other Matter

Federal Agency: U.S. Department of the Treasury

Programs: 21.027 COVID-19 – Coronavirus State and Local Fiscal Recovery Funds

Award Number and Year: SLFRP0278; 2021

Anoka County

Anoka, Minnesota

Pass-Through Agency: N/A - Direct

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.

Federal requirements prohibit non-federal entities from contracting with or making subawards under covered transactions to parties that are suspended or debarred. Title 2 U.S. *Code of Federal Regulations* § 180.300 describes a required verification process. Prior to entering into the transaction, one of the following must be performed: (1) checking SAM.gov exclusions, (2) collecting a certification, or (3) adding a clause or condition to the covered transaction.

Condition: For two of the four covered transactions tested, the County did not maintain documentation of verification that the vendors were not suspended or debarred prior to entering into the covered transactions.

Questioned Costs: None.

Context: The County entered into a total of 36 covered transactions during the year using COVID-19 – Coronavirus State and Local Fiscal Recovery Funds. The vendors tested that did not have documentation of verification prior to entering the transaction were not listed as suspended or debarred on SAM.gov at the time of the audit.

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

Effect: Failure to verify vendors are not suspended, debarred, or otherwise excluded prior to entering into a covered transaction may result in the County entering into a transaction with a vendor that is not authorized to provide goods and services under the grant.

Cause: The County informed us that, for one covered transaction, the County did not retain results of the suspension and debarment search, and, for one covered transaction, the County did not initially anticipate using federal funds to pay for the transaction.

Recommendation: We recommend the County maintain documentation to demonstrate that vendors were not debarred, suspended or otherwise excluded from conducting business with the County; this documentation should be completed prior to entering into a covered transaction.

View of Responsible Official: Concur

2024-004 Eligibility

Prior Year Finding Number: N/A

Year of Finding Origination: 2024

Type of Finding: Internal Control Over Compliance and Compliance

Severity of Deficiency: Significant Deficiency and Other Matter

Federal Agency: U.S. Department of Health and Human Services

Program: 93.558 Temporary Assistance for Needy Families

Award Number and Year: 2401MNTANF; 2024

Anoka County

Anoka, Minnesota

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

Title 42 United States Code § 602(a)(1)(B)(iii) requires each state to create a plan for the delivery of benefits and the determination of eligibility. The Minnesota Department of Human Services' State Plan for Temporary Assistance for Needy Families (TANF) and Minn. Stat. § 142G.10 establish the general eligibility requirements for TANF benefits which require the county to document, verify, and recertify specific information, including information relating to assets and income.

Condition: The Minnesota Department of Human Services (DHS) maintains the computer system, MAXIS, which is used by Anoka County to support the eligibility determination process. In the case files reviewed for eligibility, not all documentation was available, updated, or input correctly to support participant eligibility. The following exceptions were noted in the sample of 40 MAXIS case files tested:

- Two case files had assets in MAXIS that were not updated to agree with supporting documentation in the case file.
- One case file did not have the support for the income listed in MAXIS.
- One case file did not have the support for the assets listed in MAXIS.
- One case file transferred from another agency did not include the supporting documentation to verify compliance.

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

Context: The State of Minnesota and the County split the eligibility determination process. Pursuant to Minnesota statutes, Anoka County performs the "intake function" needed for this program, while the state maintains the MAXIS system, which supports the eligibility determination process. Participants receive benefit payments from the state.

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

Effect: The lack of updated information in MAXIS to document verification of key eligibility-determining factors increases the risk that program participants will receive benefits when they are not eligible.

Cause: Program personnel entering case data into MAXIS did not ensure all required information was retained in the case file as it was entered into MAXIS. The County did not retain specific information for one participant that moved into and out of the County.

Recommendation: We recommend Anoka County implement additional procedures to provide reasonable assurance that the information is properly input or updated in MAXIS and retained in the supporting case files.

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View of Responsible Official: Concur



Representation of Anoka County
Anoka, Minnesota
Corrective Action Plan
For the Year Ended December 31, 2024

Finding Number: 2024-001

Finding Title: Material Audit Adjustments

Name of Contact Person Responsible for Corrective Action:

Dalton Larson – Deputy Director and Amy Kirk – Senior Manager – Accounting

Corrective Action Planned:

- Implement a formal checklist and review protocol for year-end closing procedures that will target material receivables and revenue classifications.
 - **General Procedures:** Review year-end activity (assign roles – who prepares/who reviews), communicate with departments about year-end revenue/receivable activities, reconcile balance sheet accounts (e.g. DFOG, intergovernmental, unavailable revenue), and review year-end adjustment journal entries to ensure proper documentation, classification, and timing.
 - **Road & Bridge Fund** – Compare reimbursement requests with receipts recorded (MnDOT), ensure the revenue is classified properly, confirm all uncollected state and federal grants are accrued as ‘due from other governments’, and review unavailable revenue (deferred inflows of resources).
 - **Capital Projects Fund** – Identify revenues from other governments and review classification of revenue between what is tax revenue vs. intergovernmental revenue.
- Provide additional training for accounting staff on proper revenue recognition and documentation requirements.
- Designate a secondary reviewer (e.g. Senior Manager – Accounting or Deputy Director) to independently verify high-risk or high-dollar entries before submission to the auditor to reduce the risk of undetected misstatements.

Anticipated Completion Date:

Begin implementation Q3 2025; fully implemented updated process and procedures by year-end close FY2025.

Finding Number: 2024-002

Finding Title: Suspension and Debarment

Program: 10.561 State Administrative Matching Grants for the Supplemental Nutrition Assistance Program

Name of Contact Person Responsible for Corrective Action:

Lindsey Felgate – Senior Manager, Procurement

Corrective Action Planned:

The Procurement Unit will continue to educate county users on required policy & procedures. This would include a refresh to our new stand-alone procurement policy, a new procedure manual explaining in detail how to procure, and supplemental documents including forms and checklists to aid in compliance.

We are upgrading SharePoint (internal website) to aid in sharing procurement information. We will continue to educate on process documentation including the federal guidance listed in Title 2 U.S. Code of Federal Regulations.

The County has purchased a finance/procurement system set to go live in 1/2026. The system will manage the purchase order process and we will continue to find a procurement solution for all other procurement activities. These plans will assist by moving the County from a manual environment to a more structured and standardized environment for procurement activities.

Anticipated Completion Date:

- Policy – 2025, current summer action
- Procedures & Supplemental documents (how to's, forms, checklists) – initial draft end of 2025 with enhancements in 2026
- SharePoint Site Refresh – year end 2025

Finding Number: 2024-003

Finding Title: Suspension and Debarment

Program: 21.027 COVID-19 – Coronavirus State and Local Fiscal Recovery Funds

Name of Contact Person Responsible for Corrective Action:

Lindsey Felgate - Senior Manager, Procurement

Corrective Action Planned:

The Procurement Unit will continue to educate county users on required policy & procedures. This would include a refresh to our new stand-alone procurement policy, a new procedure manual explaining in detail how to procure, and supplemental documents including forms and checklists to aid in compliance.

We are upgrading SharePoint (internal website) to aid in sharing procurement information. We will continue to educate on process documentation including the federal guidance listed in Title 2 U.S. Code of Federal Regulations.

The County has purchased a finance/procurement system set to go live in 1/2026. The system will manage the purchase order process, and we will continue to find a procurement solution for all other procurement activities. These plans will assist by moving the County from a manual environment to a more structured and standardized environment for procurement activities.

Anticipated Completion Date:

- Policy – 2025, current summer action
- Procedures & Supplemental documents (how to's, forms, checklists) – initial draft end of 2025 with enhancements in 2026
- SharePoint Site Refresh – year end 2025

Finding Number: 2024-004

Finding Title: Eligibility

Program: 93.558 Temporary Assistance for Needy Families

Name of Contact Person Responsible for Corrective Action:

QC Team (Lead ES): Whitney VonDeLinde, Megan Howard, Melissa Hoeft

Kellie Tienter, Public Assistance Manager

Jessica Leth, Economic Assistance Director

Corrective Action Planned:

- Training TANF employees:
 - Distribution of Lead ES Newsletter – monthly training communication (includes updates to forms, bulletins from the state, policy & procedural changes, and technical tips)
 - Supervisor's will review mandatory verifications at unit meetings by the end of Q3 2025.
 - Child Support Income Budgeting Guide
 - Includes how to budget, case noting, etc.
 - Move In Checklist
 - We have made clarifying updates to this document regarding requesting a case file from a previous county if not already received.
 - April 2025 PSU News
 - QC team shared information and tips from what they noticed while going through the audit
- MFIP case reviews conducted by supervisors in Q2 and Q3. 15 per ES per year.
- Per Hennepin County we were only transferring the last year of case file documents when clients moved from Anoka County to Hennepin County. Beginning in Q2 of 2025 Anoka County began transferring the entire case file to ensure the complete retention of case files.

Anticipated Completion Date:

- Completion by end of Q3 2025



**Representation of Anoka County
Anoka, Minnesota**

Summary Schedule of Prior Audit Findings
For the Year Ended December 31, 2024

Finding Number: 2023-001, 2022-002

Year of Finding Origination: 2022

Finding Title: Incomplete Data Submitted to PERA

Summary of Condition: The gender identification for four of the 25 new hires selected for testing was missing from the employee data submitted to PERA.

Summary of Corrective Action Previously Reported Human Resources is planning to review its process and develop appropriate review procedures for the data being sent to PERA. In addition, HR is working with our ERP system vendor to adjust the PERA demographic integration file to pull all demographic information for new employees.

Status: Fully Corrected. Corrective action was taken.

Finding Number: 2023-002

Year of Finding Origination: 2023

Finding Title: Access to Computer Systems – Workday Payroll System

Summary of Condition: During review of user access assignments in the Workday system, the following was noted:

- Six Human Resources employees, including the Human Resources Director, are assigned to the Security Administrator role.
- Five Human Resources employees, including the Human Resources Director, are assigned to the Security Configurator role.
- The Human Resources Director is assigned to the Security Partner role.

Furthermore, the Human Resources Director has administrative access in Finance Enterprise, the County's general ledger accounting system.

Summary of Corrective Action Previously Reported: Human Resources will be adjusting security access to the Workday system by removing the administrative rights from the Human Resources Director and data analysts. Finance will adjust its process to annually review and update access into the Finance Enterprise System. As Workday Finance is implemented over the next year or so, the County is planning to move Workday security access oversight to Information Technology, using a Steering Committee made up of County Administration, Finance, Human Resources, and Information Technology (IT) Leaders to drive the access policies.

Status: Fully Corrected. Corrective action was taken.

Finding Number: 2023-003

Year of Finding Origination: 2023

Finding Title: Access to Computer Systems - Network

Summary of Condition: Twenty-five terminated employees were tested to ensure the County disabled or deleted access to the Active Directory as the policy dictates. For three employees, the County did not disable or delete Active Directory access in a timely manner. For an additional two employees, the County could not provide evidence to support disabling access.

Summary of Corrective Action Previously Reported: Effective July 26, 2024, when an employee is terminated, the department will submit an Account De-Activation request in a self-service portal managed by IT. On the last working day indicated in the request, the employee's account will be de-activated by end of day or first thing the following business day. The employee's Anoka County supported access will be removed, and the password will be reset.

Status: Fully Corrected. Corrective action was taken.

Finding Number: 2023-004

Year of Finding Origination: 2023

Finding Title: Special Tests and Provisions – Review of Prevailing Wage Reports

Program: 20.205 Highway Planning and Construction

Summary of Condition: The County is not obtaining assurance that the requirements of the Davis-Bacon Act are being performed for one of two federal projects selected for testing.

Summary of Corrective Action Previously Reported: On projects, such as the Ramsey Gateway Improvement Project (Project # SP 002-596-026) where the County contracts with the State related to the provision of construction project management services, the County Engineer and their team will request a prevailing wage report from the construction administration/engineering team at the Minnesota Department of Transportation (MnDOT) prior to certifying all contract payments.

The report will include a summary of the prevailing wage reports that have been submitted/reviewed and describe any issues or concerns that were found and addressed.

Status: Fully Corrected. Corrective action was taken.

Finding Number: 2023-005

Year of Finding Origination: 2023

Finding Title: Reporting – Federal Funding Accountability and Transparency Act (FFATA)

Program: 14.218 Community Development Block Grants/Entitlement Grants

Summary of Condition: Anoka County has not submitted subaward information in the FSRS as required by the FFATA for the Community Development Block Grant.

Summary of Corrective Action Previously Reported: Anoka County Community Development staff is implementing procedures to ensure the completion of reports required by Federal Funding Accountability and Transparency Act (FFATA). As part of the procedures, staff will establish and maintain effective internal controls over the federal award to ensure compliance with federal statutes and regulations, along with the terms and conditions of the federal award. Community Development will consult with the U.S. Department of Housing and Urban Development (HUD) on how best to correct reporting.

Moving forward, Federal Funding Accountability and Transparency Act (FFATA) reporting will be completed promptly within the required 30 days for applicable subawards of \$30,000 or more. This task has been added

to the annual contracting process and to assist with tracking, this item has been added to the Community Development Block Grant (CDBG) sub-recipient check list.

Status: Fully Corrected. Corrective action was taken.

Finding Number: 2023-006

Year of Finding Origination: 2023

Finding Title: Withholding Affidavit of Contractors (Form IC-134)

Summary of Condition: During review of 16 finalized construction contracts, which included the employment of individuals for wages by the contractor and where final payment had been made, the County issued final payment for five contracts prior to receiving a Minnesota Department of Revenue approved Form IC-134, which certifies the reporting of employee withholdings, from the contractor.

Summary of Corrective Action Previously Reported: Facilities Management & Construction plans to standardize the process around the management of its contracts, including a strategy for final payment processing to ensure the Withholding Affidavit of Contractors (Form IC134) has been sent and certified to the State by the contractors and sub-contractors prior to the issuance of the final payment.

Status: Fully Corrected. Corrective action was taken.