Minnesota

Financial and Compliance Report on Federally Assisted Programs

For the year ended June 30, 2024

Produced by Minnesota Management and Budget

MANAGEMENT AND BUDGET

MINNESOTA

State of Minnesota

Financial and Compliance Report on Federally Assisted Programs

For the Year Ended June 30, 2024

Prepared by Minnesota
Management and Budget
Erin Campbell,
Commissioner
400 Centennial Office Building
658 Cedar Street
Saint Paul, Minnesota 55155-1489

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State of Minnesota

2024 Financial and Compliance Report on Federally Assisted Programs

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http://www.mn.gov/mmb/accounting/reports/

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2024 Financial and Compliance Report on Federally Assisted Programs

Table of Contents

	Page
Transmittal Letter from the Commissioner of Minnesota Management and Budget	3
Report on the Audit of the Schedule of Expenditures of Federal Awards	7
Report on Internal Control Over Financial Reporting of the Schedule of Expenditures of Federal Awards and on Compliance and Other Matters Based on an Audit of the Schedule of Expenditures of Federal Awards Performed in Accordance with *Government Auditing Standards*	9
Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance	11
Schedule of Expenditures of Federal Awards	17
Notes to the Schedule of Expenditures of Federal Awards	35
Schedule of Findings and Questioned Costs	
Section I: Summary of Auditor's Results	41
Index of Findings	45
Section II: Financial Statement Findings	47
Section III: Federal Award Findings and Questioned Costs	47
Index of Corrective Action Plans	95
Index of Schedule of Prior Year Audit Findings	117
Status of Prior Federal Audit Findings	121
Summary Schedule of Prior Audit Findings	123

Date: March 24, 2025

To: The Honorable Tim Walz, Governor

From: Commissioner Erin Campbell EC

Cc: Chief of Staff Chris Schmitter

RE: 2024 Financial and Compliance Report on Federally Assisted Programs Transmittal Letter from the Commissioner of Minnesota Management and Budget

Dear Governor Walz:

I am submitting the State of Minnesota Financial and Compliance Report on Federally Assisted Programs for the year ended June 30, 2024. This report meets the requirements of the Federal Single Audit Act of 1984 as amended in 1996 and the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) contained in 2 CFR Part 200, as applicable.

This Financial and Compliance report on Federally Assisted Programs includes all federal assistance expended by the state agencies determined to be a part of the state of Minnesota's primary government. Programs administered by the State's discretely presented component units are reported in separate single audit reports issued by the individual component units. The criteria used to define the state's reporting entity are those established by the Governmental Accounting Standards Board.

For purposes of the single audit in Minnesota, the audited entity is the state rather than each state agency. With this approach, the primary government receives one annual financial audit and one audit of the major federal programs. This is an efficient approach for Minnesota because state agencies all utilize the same centralized control systems (accounting, personnel/payroll, and procurement).

Management Responsibilities

Minnesota Management and Budget is responsible for the accuracy, fairness, and completeness of the Schedule of Expenditures of Federal Awards, including all disclosures, presented in this report. The department is also responsible for the Statewide Integrated Financial Tools System (SWIFT), which was used in preparing this report. I believe the schedule provides a fair representation of expenditures for federal programs for the year ended June 30, 2024.

The financial schedule presented is meant to provide a consistent basis for reporting on the expenditures of federal assistance received by state agencies. The schedule is not meant to replace recipient financial reporting currently required for each individual program of federal assistance.

Minnesota Management and Budget is responsible for designing and applying statewide internal controls. State agencies are responsible for additional internal controls used for the administration of

federal programs. These controls provide reasonable assurance that the state's assets are protected against loss, either intentional or unintentional; resource use is consistent with laws, regulations, and policies; transactions are executed in accordance with management's authorization; and the accounting records from which the financial schedule was prepared are reliable. The concept of reasonable assurance recognizes that the cost of control should not exceed the benefit derived.

In addition, state agencies have specific responsibilities for federal programs. State agencies are required to manage and maintain adequate accounting records for their federal programs. They are required by the relevant federal departments and agencies to prepare periodic financial reports. State agencies are also responsible for assuring that organizations to which they subgrant federal funds have the required audits and promptly resolve federal program deficiencies reported as a result of those audits. The U.S. Department of Health and Human Services - Office of Inspector General - Office of Audit Services serves as the lead cognizant agency representing all federal agencies awarding federal assistance to the state of Minnesota.

Federal Financial Assistance to the State of Minnesota

In fiscal year 2024, the state of Minnesota expended approximately $ 20.1 billion in federal assistance for its many programs.

Audits

The Minnesota Office of the Legislative Auditor performs an annual statewide audit primarily for the purpose of expressing an audit opinion on the financial statements included in the state's Annual Comprehensive Financial Report prepared by Minnesota Management and Budget. Another purpose of the statewide audit is to provide information to the Governor, Legislature, and heads of state agencies concerning financial and accounting issues involving the state and its agencies.

The Office of the State Auditor has audited the state's major federal programs identified in this single audit report in accordance with the Uniform Guidance contained in 2 CFR Part 200, as applicable. The auditor's report on compliance with requirements applicable to each major federal program and on internal control over compliance is included as part of this report. The Office of the Legislative Auditor has issued a report on internal control over financial reporting in conjunction with the audit of the state's Annual Comprehensive Financial Report for the year ended June 30, 2024.

All subrecipients receiving federal assistance from Minnesota state agencies have been required to have audits in accordance with the Uniform Guidance contained in 2 CFR Part 200, as applicable.

Report

This Financial and Compliance report on Federally Assisted Programs supplements the state's Annual Comprehensive Financial Report for the year ended June 30, 2024 and includes financial information on federal programs which was compiled by Minnesota Management and Budget.

The Office of the State Auditor is responsible for preparing the auditor's report on compliance with requirements applicable to each major federal program and on internal controls over compliance, the

summary of auditor's results, and the Schedule of Findings and Questioned Costs. Minnesota Management and Budget is responsible for preparing the schedule of expenditures for federal awards and the status of prior federal program audit findings schedule.

Acknowledgments

Although Minnesota Management and Budget accepts final responsibility for this report, we would like to acknowledge the significant assistance provided by staff in the many state agencies receiving federal assistance. The financial schedule agencies prepared for each of their federal programs were used to compile this financial schedule.

STATE OF MINNESOTA

Office of the State Auditor

Julie Blaha
State Auditor

Suite 500
525 Park Street
Saint Paul, MN 55103

Independent Auditor's Report

The Honorable Tim Walz, Governor
Members of the Minnesota Legislature
Ms. Erin Campbell, Commissioner of Minnesota Management and Budget
State of Minnesota
Saint Paul, Minnesota

Report on the Audit of the Schedule of Expenditures of Federal Awards

Opinion
We have audited the Schedule of Expenditures of Federal Awards (SEFA) of the State of Minnesota for the year ended June 30, 2024, and the related notes.

In our opinion, the accompanying SEFA presents fairly, in all material respects, the expenditures of federal awards of the State of Minnesota for the year ended June 30, 2024, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion
We conducted our audit 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 the SEFA section of our report.

We are required to be independent of the State of Minnesota 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 audit opinion.

Responsibilities of Management for the SEFA
Management is responsible for the preparation and fair presentation of the SEFA in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the SEFA that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the SEFA
Our objectives are to obtain reasonable assurance about whether the SEFA as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. 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 a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the SEFA.

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 misstatement of the SEFA, 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 amounts and disclosures in the SEFA;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the State of Minnesota's internal control. Accordingly, no such opinion is expressed; and
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the SEFA.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Reporting Required by *Government Auditing Standards*
In accordance with *Government Auditing Standards*, we have also issued our report dated March 24, 2025, on our consideration of the State of Minnesota's internal control over financial reporting of the SEFA and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting of the SEFA and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the State of Minnesota's internal control over financial reporting of the SEFA or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the State of Minnesota's internal control over financial reporting of the SEFA and compliance.

Julie Blaha
State Auditor

Chad Struss, CPA
Deputy State Auditor

March 24, 2025

STATE OF MINNESOTA

Office of the State Auditor

Julie Blaha
State Auditor

Suite 500
525 Park Street
Saint Paul, MN 55103

Report on Internal Control Over Financial Reporting of the Schedule of Expenditures of Federal Awards and on Compliance and Other Matters Based on an Audit of the Schedule of Expenditures of Federal Awards Performed in Accordance with *Government Auditing Standards*

Independent Auditor's Report

The Honorable Tim Walz, Governor
Members of the Minnesota Legislature
Ms. Erin Campbell, Commissioner of Minnesota Management and Budget
State of Minnesota
Saint Paul, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the Schedule of Expenditures of Federal Awards (SEFA) of the State of Minnesota for the year ended June 30, 2024, and the related notes, and have issued our report thereon dated March 24, 2025.

Report on Internal Control Over Financial Reporting of the Schedule of Expenditures of Federal Awards

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

A *deficiency in internal control over financial reporting of the SEFA* 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 of the SEFA, such that there is a reasonable possibility that a material misstatement of the State of Minnesota's SEFA 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 of the SEFA 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 of the SEFA 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 of the SEFA that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting of the SEFA that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

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Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the State of Minnesota's SEFA is 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 SEFA. 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*.

Purpose of This Report

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

Julie Blaha
State Auditor

Chad Struss, CPA
Deputy State Auditor

March 24, 2025

STATE OF MINNESOTA

Office of the State Auditor

Julie Blaha
State Auditor

Suite 500
525 Park Street
Saint Paul, MN 55103

Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance

Independent Auditor's Report

The Honorable Tim Walz, Governor
Members of the Minnesota Legislature
Ms. Erin Campbell, Commissioner of Minnesota Management and Budget
State of Minnesota
Saint Paul, Minnesota

Report on Compliance for Each Major Federal Program

Qualified and Unmodified Opinions
We have audited the State of Minnesota's compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of the State of Minnesota's major federal programs for the year ended June 30, 2024. The State of Minnesota's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

We did not audit the Student Financial Assistance Cluster major program in the amount of $530,511,703 for the year ended June 30, 2024. That program was audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the federal program's compliance with the types of compliance requirements described in the OMB *Compliance Supplement*, is based solely on the report of the other auditors.

Qualified Opinion on Aging Cluster
In our opinion, except for the noncompliance described in the Basis for Qualified and Unmodified Opinions section of our report, the State of Minnesota complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on Aging Cluster for the year ended June 30, 2024.

Qualified Opinion on Temporary Assistance for Needy Families
In our opinion, except for the noncompliance described in the Basis for Qualified and Unmodified Opinions section of our report, the State of Minnesota complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on Temporary Assistance for Needy Families for the year ended June 30, 2024.

Qualified Opinion on CCDF Cluster
In our opinion, except for the noncompliance described in the Basis for Qualified and Unmodified Opinions section of our report, the State of Minnesota complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on CCDF Cluster for the year ended June 30, 2024.

Qualified Opinion on Foster Care Title IV-E
In our opinion, except for the noncompliance described in the Basis for Qualified and Unmodified Opinions section of our report, the State of Minnesota complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on Foster Care Title IV-E for the year ended June 30, 2024.

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Qualified Opinion on Adoption Assistance
In our opinion, except for the noncompliance described in the Basis for Qualified and Unmodified Opinions section of our report, the State of Minnesota complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on Adoption Assistance for the year ended June 30, 2024.

Qualified Opinion on Children's Health Insurance Program
In our opinion, except for the noncompliance described in the Basis for Qualified and Unmodified Opinions section of our report, the State of Minnesota complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on Children's Health Insurance Program for the year ended June 30, 2024.

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, the State of Minnesota 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 June 30, 2024.

Unmodified Opinion on Each of the Other Major Federal Programs
In our opinion, based on our audit and the audit of other auditors, the State of Minnesota complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs for the year ended June 30, 2024.

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 the State of Minnesota 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 the State of Minnesota's compliance with the compliance requirements referred to above.

Matters Giving Rise to Qualified Opinion on Aging Cluster
As described in the accompanying Schedule of Findings and Questioned Costs, the State of Minnesota did not comply with requirements regarding Aging Cluster as described in finding numbers 2024-010 and 2024-011 for Matching, Level of Effort, Earmarking and 2024-012 and 2024-013 for Reporting.

Compliance with such requirements is necessary, in our opinion, for the State of Minnesota to comply with the requirements applicable to that program.

Matters Giving Rise to Qualified Opinion on Temporary Assistance for Needy Families
As described in the accompanying Schedule of Findings and Questioned Costs, the State of Minnesota did not comply with requirements regarding Assistance Listing No. 93.558 Temporary Assistance for Needy Families as described in finding numbers 2024-014 for Eligibility and 2024-015 for Special Tests and Provisions.

Compliance with such requirements is necessary, in our opinion, for the State of Minnesota to comply with the requirements applicable to that program.

Matter Giving Rise to Qualified Opinion on CCDF Cluster
As described in the accompanying Schedule of Findings and Questioned Costs, the State of Minnesota did not comply with requirements regarding CCDF Cluster as described in finding number 2024-017 for Eligibility.

Compliance with such requirements is necessary, in our opinion, for the State of Minnesota to comply with the requirements applicable to that program.

Matters Giving Rise to Qualified Opinion on Foster Care Title IV-E
As described in the accompanying Schedule of Findings and Questioned Costs, the State of Minnesota did not comply with requirements regarding Assistance Listing No. 93.658 Foster Care Title IV-E as described in finding numbers 2024-007 for Reporting and 2024-018 for Subrecipient Monitoring.

Compliance with such requirements is necessary, in our opinion, for the State of Minnesota to comply with the requirements applicable to that program.

Matter Giving Rise to Qualified Opinion on Adoption Assistance
As described in the accompanying Schedule of Findings and Questioned Costs, the State of Minnesota did not comply with requirements regarding Assistance Listing No. 93.659 Adoption Assistance as described in finding number 2024-007 for Reporting.

Compliance with such requirements is necessary, in our opinion, for the State of Minnesota to comply with the requirements applicable to that program.

Matters Giving Rise to Qualified Opinion on Children's Health Insurance Program
As described in the accompanying Schedule of Findings and Questioned Costs, the State of Minnesota did not comply with requirements regarding Assistance Listing No. 93.767 Children's Health Insurance Program as described in finding numbers 2024-019 and 2024-020 for Eligibility.

Compliance with such requirements is necessary, in our opinion, for the State of Minnesota to comply with the requirements applicable to that program.

Matter Giving Rise to Qualified Opinion on Medicaid Cluster
As described in the accompanying Schedule of Findings and Questioned Costs, the State of Minnesota did not comply with requirements regarding Medicaid Cluster as described in finding number 2024-021 for Eligibility.

Compliance with such requirements is necessary, in our opinion, for the State of Minnesota to comply with the requirements applicable to that program.

Other Matter – Federal Expenditures Not Included in the Compliance Audit
The State of Minnesota's basic financial statements include the operations of the Housing Finance Agency, the University of Minnesota, the Office of Higher Education, and the Public Facilities Authority component units for the year ended June 30, 2024, which expended $422,678,239; $1,260,948,975; $5,401,301; and $65,316,770, respectively, and the Metropolitan Council and Minnesota Comprehensive Health Association component units for the year ended December 31, 2023, which expended $673,332,026 and $91,110,000, respectively, in federal awards, which are not included in the State of Minnesota's Schedule of Expenditures of Federal Awards during the year ended June 30, 2024. Our compliance audit, described in the *Qualified and Unmodified Opinions* section, does not include the operations of these component units because they each had a separate single audit in accordance with the Uniform Guidance.

Responsibilities of Management for Compliance
Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the State of Minnesota'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 the State of Minnesota'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 the State of Minnesota'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 State'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 State of Minnesota's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances, and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the State's internal control over compliance. Accordingly, no such opinion is expressed.

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

Other Matters

The results of our auditing procedures disclosed other instances of noncompliance, 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 identified below. Our opinion on each major federal program is not modified with respect to these matters.

Finding Numbers:

2024-001	2024-002	2024-003	2024-004	2024-005
2024-006	2024-008	2024-009	2024-022	2024-023
2024-024	2024-025	2024-026	2024-027	2024-028
2024-029				

Government Auditing Standards requires the auditor to perform limited procedures on the State of Minnesota's response to the noncompliance findings identified in our compliance audit described in the accompanying Schedule of Findings and Questioned Costs. The State of Minnesota's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or 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. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as the items identified below to be material weaknesses.

Material Weakness Finding Numbers:

2024-007	2024-010	2024-011	2024-012	2024-013
2024-014	2024-015	2024-017	2024-018	2024-019
2024-020	2024-021			

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 the items identified below to be significant deficiencies.

Significant Deficiency Finding Numbers:

2024-001	2024-002	2024-003	2024-004	2024-005
2024-006	2024-008	2024-009	2024-016	2024-022
2024-023	2024-024	2024-025	2024-026	2024-027
2024-028	2024-029			

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

Government Auditing Standards requires the auditor to perform limited procedures on the State of Minnesota's response to the internal control over compliance findings identified in our compliance audit described in the accompanying Schedule of Findings and Questioned Costs. The State of Minnesota'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.

Julie Blaha
State Auditor

Chad Struss, CPA
Deputy State Auditor

March 24, 2025

State of Minnesota
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024

ALN	Federal Program Name or *Pass-Through Entity (Identifying Number)*	State Agency	Total Federal Expenditures	Amounts Provided to Subrecipients
U.S. Department of Agriculture				
Supplemental Nutrition Assistance Program (SNAP) Cluster				
10.551	Supplemental Nutrition Assistance Program	Human Services	$ 873,314,848	$ -
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	Human Services	$ 97,207,382	$ 79,231,626
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	MnSCU	$ 8,594	$ -
10.561	COVID-19-State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	Human Services	$ 2,013,859	$ -
	Program 10.561 Total:		**$ 99,229,835**	**$ 79,231,626**
	Supplemental Nutrition Assistance Program (SNAP) Cluster Total:		**$ 972,544,683**	**$ 79,231,626**
Forest Service Schools and Roads Cluster				
10.665	Schools and Roads - Grants to States	MN Management & Budget	$ 8,047,422	$ 8,047,422
	Forest Service Schools and Roads Cluster Total:		**$ 8,047,422**	**$ 8,047,422**
Food Distribution Cluster				
10.565	Commodity Supplemental Food Program	Health	$ 912,056	$ 867,868
10.568	Emergency Food Assistance Program (Administrative Costs)	Human Services	$ 1,317,280	$ 1,011,146
	Food Distribution Cluster Total:		**$ 2,229,336**	**$ 1,879,014**
Child Nutrition Cluster				
10.553	School Breakfast Program	Education	$ 77,434,656	$ 77,341,873
10.555	National School Lunch Program	Education	$ 279,169,589	$ 278,997,136
10.555	COVID-19-National School Lunch Program	Education	$ 23,456,467	$ 23,442,766
	Program 10.555 Total:		**$ 302,626,056**	**$ 302,439,902**
10.556	Special Milk Program for Children	Education	$ 620,580	$ 620,268
10.559	Summer Food Service Program for Children	Education	$ 11,376,343	$ 11,046,575
10.582	Fresh Fruit and Vegetable Program	Education	$ 4,040,084	$ 4,024,929
	Child Nutrition Cluster Total:		**$ 396,097,719**	**$ 395,473,547**
10.025	Plant and Animal Disease, Pest Control, and Animal Care	Agriculture	$ 797,592	$ -
10.025	Plant and Animal Disease, Pest Control, and Animal Care	Animal Health Board	$ 1,267,562	$ -
10.025	Plant and Animal Disease, Pest Control, and Animal Care	MnSCU	$ 14,588	$ -
10.025	*Pass-Through from the Spongy Moth Slow the Spread Regulatory Program (Unknown)*	Agriculture	$ 50,232	$ -
	Program 10.025 Total:		**$ 2,129,974**	**$ -**
10.028	Wildlife Services	Natural Resources	$ 263,101	$ -
10.093	Voluntary Public Access and Habitat Incentive Program	Natural Resources	$ 649,578	$ -
10.156	Federal-State Marketing Improvement Program	Agriculture	$ 22,584	$ -
10.170	Specialty Crop Block Grant Program - Farm Bill	Agriculture	$ 1,977,765	$ 1,527,035
10.171	Organic Certification Cost Share Programs	Agriculture	$ 174,969	$ -
10.182	COVID-19-Pandemic Relief Activities: Local Food Purchase Agreements with States, Tribes, and Local Governments	Agriculture	$ 679,256	$ 387,900
10.185	Local Food for Schools Cooperative Agreement Program	Agriculture	$ 2,657,113	$ 2,657,113
10.187	The Emergency Food Assistance Program (TEFAP) Commodity Credit Corporation Eligible Recipient Funds	Human Services	$ 627,093	$ 627,093
10.190	Resilient Food System Infrastructure Program	Agriculture	$ 197,295	$ -
10.215	Sustainable Agriculture Research and Education	Agriculture	$ 30,605	$ -
10.215	*Pass-Through from the University of Minnesota (2022-3864-37486)*	MnSCU	$ 33,435	$ -
	Program 10.215 Total:		**$ 64,040**	**$ -**
10.221	Tribal Colleges Education Equity Grants	MnSCU	$ 196,891	$ -
10.222	Tribal Colleges Endowment Program	MnSCU	$ 84,025	$ -
10.227	1994 Institutions Research Grants	MnSCU	$ 276,214	$ -
10.237	From Learning to Leading: Cultivating the Next Generation of Diverse Food and Agriculture Professionals	MnSCU	$ 769,631	$ -
10.307	Organic Agriculture Research and Extension Initiative			
10.307	*Pass-Through from the University of Minnesota (2019-51300-30484)*	MnSCU	$ 10,680	$ -
10.310	Agriculture and Food Research Initiative (AFRI)	MnSCU	$ 106,548	$ -
10.319	Farm Business Management and Benchmarking Competitive Grants Program	MnSCU	$ 92,698	$ -

The notes (referenced in parentheses) are an integral part of these statements.

State of Minnesota
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024

ALN	Federal Program Name or *Pass-Through Entity (Identifying Number)*	State Agency	Total Federal Expenditures	Amounts Provided to Subrecipients
10.326	Capacity Building for Non-Land Grant Colleges of Agriculture (NLGCA)	MnSCU	$ 746	$ -
10.331	Gus Schumacher Nutrition Incentive Program	Health	$ 100,673	$ 46,825
10.382	Meat and Poultry Intermediary Lending Program (7)	Agriculture	$ 876,941	$ -
10.475	Cooperative Agreements with States for Intrastate Meat and Poultry Inspection	Agriculture	$ 2,304,765	$ -
10.479	Food Safety Cooperative Agreements	Agriculture	$ 215,797	$ -
10.500	Cooperative Extension Service	MnSCU	$ 139,496	$ -
10.517	Tribal Colleges Extension Programs	MnSCU	$ 245,254	$ -
10.520	Agriculture Risk Management Education Partnerships Competitive Grants Program	MnSCU	$ 58,820	$ -
10.522	Food and Agriculture Service Learning Program	MnSCU	$ 116,682	$ -
10.525	Farm and Ranch Stress Assistance Network Competitive Grants Program	Agriculture	$ 154,666	$ 121,873
10.531	State Agency: Farm to School Program Training and Curricula	Agriculture	$ 15,674	$ -
10.537	Supplemental Nutrition Assistance Program (SNAP) Employment and Training (E&T) Data and Technical Assistance Grants	Human Services	$ 249,950	$ -
10.541	Child Nutrition-Technology Innovation Grant	Education	$ 328,131	$ -
10.542	COVID-19-Pandemic EBT Food Benefits	Human Services	$ 76,693,177	$ -
10.557	WIC Special Supplemental Nutrition Program for Women, Infants, and Children (4)	Agriculture	$ 45,513	$ -
10.557	WIC Special Supplemental Nutrition Program for Women, Infants, and Children (4)	Health	$ 104,187,008	$ 29,565,689
10.557	*Pass-Through from the Gretchen Swanson Center for Nutrition (Midwest WIC SWOOP) (4)*	Health	$ 336,983	$ -
	Program 10.557 Total:		**$ 104,569,504**	**$ 29,565,689**
10.558	Child and Adult Care Food Program	Education	$ 71,614,636	$ 69,955,919
10.558	Child and Adult Care Food Program	MnSCU	$ 37,172	$ -
	Program 10.558 Total:		**$ 71,651,808**	**$ 69,955,919**
10.560	State Administrative Expenses for Child Nutrition	Education	$ 5,314,066	$ -
10.572	WIC Farmers' Market Nutrition Program (FMNP)	Agriculture	$ 358,499	$ -
10.574	Team Nutrition Grants	Education	$ 355,820	$ 28,961
10.575	Farm to School Grant Program	Agriculture	$ 98,492	$ -
10.575	Farm to School Grant Program	Education	$ 7,439	$ -
	Program 10.575 Total:		**$ 105,931**	**$ -**
10.576	Senior Farmers Market Nutrition Program	Agriculture	$ 210,847	$ 500
10.578	WIC Grants to States (WGS)	Health	$ 244,097	$ 28,193
10.579	Child Nutrition Discretionary Grants Limited Availability	Education	$ 1,000,263	$ 987,814
10.589	Child Nutrition Direct Certification Performance Awards	Education	$ 3,264	$ 3,264
10.645	COVID-19-Farm to School State Formula Grant	Education	$ 155,236	$ -
10.646	Summer Electronic Benefit Transfer Program for Children	Education	$ 498,677	$ -
10.646	Summer Electronic Benefit Transfer Program for Children	Human Services	$ 41,634	$ -
	Program 10.646 Total:		**$ 540,311**	**$ -**
10.649	COVID-19-Pandemic EBT Administrative Costs	Education	$ 604,506	$ 604,506
10.649	COVID-19-Pandemic EBT Administrative Costs	Human Services	$ 4,077,012	$ -
	Program 10.649 Total:		**$ 4,681,518**	**$ 604,506**
10.664	Cooperative Forestry Assistance	Natural Resources	$ 682,837	$ 44,156
10.675	Urban and Community Forestry Program	Natural Resources	$ 453,684	$ 342,967
10.676	Forest Legacy Program	Natural Resources	$ 188,275	$ -
10.678	Forest Stewardship Program	Natural Resources	$ 254,003	$ 76,837
10.680	Forest Health Protection	Agriculture	$ 46,975	$ -
10.680	Forest Health Protection	Natural Resources	$ 134,076	$ -
10.680	*Pass-Through from the Slow the Spread Trapping and Treatment Program (Unknown)*	Agriculture	$ 882,518	$ -
	Program 10.680 Total:		**$ 1,063,569**	**$ -**
10.698	State & Private Forestry Cooperative Fire Assistance	Natural Resources	$ 957,243	$ 898,333
10.707	Research Joint Venture and Cost Reimbursable Agreements	MnSCU	$ 2,813	$ -
10.707	Research Joint Venture and Cost Reimbursable Agreements	Natural Resources	$ 236,785	$ -
	Program 10.707 Total:		**$ 239,598**	**$ -**

The notes (referenced in parentheses) are an integral part of these statements.

State of Minnesota
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024

ALN	Federal Program Name or *Pass-Through Entity (Identifying Number)*	State Agency	Total Federal Expenditures	Amounts Provided to Subrecipients
10.720	Infrastructure Investment and Jobs Act Community Wildfire Defense Grants	Natural Resources	$ 58,851	$ 42,671
10.727	Inflation Reduction Act Urban & Community Forestry Program	Natural Resources	$ 9,587	$ -
10.902	Soil and Water Conservation	Agriculture	$ 172	$ -
10.902	Soil and Water Conservation	MnSCU	$ 317,146	$ -
10.902	Soil and Water Conservation	Water & Soil Resources	$ 470,742	$ -
	Program 10.902 Total:		**$ 788,060**	**$ -**
10.912	Environmental Quality Incentives Program			
10.912	*Pass-Through from the Regents of the University of Minnesota (Unknown)*	Agriculture	$ 2,112	$ -
10.924	Conservation Stewardship Program	MnSCU	$ 114,426	$ -
10.924	Conservation Stewardship Program	Water & Soil Resources	$ 24,853	$ -
	Program 10.924 Total:		**$ 139,279**	**$ -**
10.931	Agricultural Conservation Easement Program	MnSCU	$ 10,778	$ -
10.932	Regional Conservation Partnership Program	Agriculture	$ 55,219	$ -
10.932	Regional Conservation Partnership Program	MnSCU	$ 24,213	$ -
	Program 10.932 Total:		**$ 79,432**	**$ -**
10.933	Wetland Mitigation Banking Program	Water & Soil Resources	$ 212,141	$ -
10.937	Partnerships for Climate-Smart Commodities	MnSCU	$ 51,789	$ -
10.937	Partnerships for Climate-Smart Commodities	Water & Soil Resources	$ 837,992	$ 769,626
	Program 10.937 Total:		**$ 889,781**	**$ 769,626**
	U.S. Department of Agriculture Total:		**$ 1,666,619,781**	**$ 593,348,884**
U.S. Department of Commerce				
Economic Development Cluster				
11.300	Investments for Public Works and Economic Development Facilities	MnSCU	$ 2,394,903	$ -
11.307	COVID-19-Economic Adjustment Assistance	DEED	$ 606,454	$ -
	Economic Development Cluster Total:		**$ 3,001,357**	**$ -**
11.008	NOAA Mission-Related Education Awards	MnSCU	$ 3,104	$ -
11.032	State Digital Equity Planning and Capacity Grant	DEED	$ 322,688	$ 8,000
11.035	Broadband Equity, Access, and Deployment Program	DEED	$ 825,291	$ -
11.407	Interjurisdictional Fisheries Act of 1986	Natural Resources	$ 12,703	$ 12,703
11.417	Sea Grant Support			
11.417	*Pass-Through from the University of Minnesota (NA18OAR4170101)*	MnSCU	$ 8,616	$ -
11.419	Coastal Zone Management Administration Awards	Natural Resources	$ 1,637,548	$ 1,038,258
11.473	Office for Coastal Management	Natural Resources	$ 78,935	$ 40,835
	U.S. Department of Commerce Total:		**$ 5,890,242**	**$ 1,099,796**
U.S. Department of Defense				
12.002	Procurement Technical Assistance for Business Firms	Administration	$ 722,992	$ -
12.021	Army National Guard Army Compatible Use Buffer Program	Water & Soil Resources	$ 1,279,370	$ -
12.113	State Memorandum of Agreement Program for the Reimbursement of Technical Services	Pollution Control Agency	$ 104,719	$ -
12.400	Military Construction, National Guard	Military Affairs	$ 13,662,313	$ -
12.401	National Guard Military Operations and Maintenance (O&M) Projects	Military Affairs	$ 73,717,558	$ -
12.401	National Guard Military Operations and Maintenance (O&M) Projects	Water & Soil Resources	$ 79,823	$ -
	Program 12.401 Total:		**$ 73,797,381**	**$ -**
12.404	National Guard Challenge Program	Military Affairs	$ 1,983,235	$ 1,983,235
12.630	Basic, Applied, and Advanced Research in Science and Engineering	MnSCU	$ 55,822	$ -
12.902	Information Security Grants	MnSCU	$ 12,404	$ -
12.903	GenCyber Grants Program	MnSCU	$ 97,697	$ -
12.905	CyberSecurity Core Curriculum	MnSCU	$ 1,174,381	$ -
12.RD	R&D-U.S. Department of Defense	MnSCU	$ 56,218	$ -
	U.S. Department of Defense Total:		**$ 92,946,532**	**$ 1,983,235**

The notes (referenced in parentheses) are an integral part of these statements.

State of Minnesota
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024

ALN	Federal Program Name or *Pass-Through Entity (Identifying Number)*	State Agency	Total Federal Expenditures	Amounts Provided to Subrecipients
U.S. Department of Housing and Urban Development				
CDBG - Entitlement/Special Purpose Grants Cluster				
14.218	Community Development Block Grants/Entitlement Grants	MnSCU	$ 19,713	$ -
	CDBG - Entitlement/Special Purpose Grants Cluster Total:		**$ 19,713**	**$ -**
14.228	Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	DEED	$ 14,555,142	$ 14,260,035
14.228	COVID-19-Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	DEED	$ 21,644,364	$ 21,399,029
	Program 14.228 Total:		**$ 36,199,506**	**$ 35,659,064**
14.231	Emergency Solutions Grant Program	Human Services	$ 2,078,660	$ 1,832,478
14.231	COVID-19-Emergency Solutions Grant Program	Human Services	$ 720,651	$ 695,723
	Program 14.231 Total:		**$ 2,799,311**	**$ 2,528,201**
14.900	Lead Hazard Reduction Grant Program	Health	$ 464,765	$ 148,600
	U.S. Department of Housing and Urban Development Total:		**$ 39,483,295**	**$ 38,335,865**
U.S. Department of the Interior				
Fish and Wildlife Cluster				
15.605	Sport Fish Restoration	Natural Resources	$ 12,932,703	$ -
15.611	Wildlife Restoration and Basic Hunter Education and Safety	Natural Resources	$ 30,074,748	$ -
15.626	Enhanced Hunter Education and Safety	Natural Resources	$ 206,941	$ -
	Fish and Wildlife Cluster Total:		**$ 43,214,392**	**$ -**
15.027	Assistance to Tribally Controlled Community Colleges and Universities	MnSCU	$ 71,895	$ -
15.073	Earth Mapping Resources Initiative			
15.073	*Pass-Through from the Regents of the University of Minnesota (G23AC00058-00 Sub:A00997001)*	Natural Resources	$ 96,222	$ 96,222
15.605	R&D-Sport Fish Restoration	Natural Resources	$ 250,000	$ -
15.608	Fish and Aquatic Conservation - Aquatic Invasive Species	MnSCU	$ 14,564	$ -
15.608	Fish and Aquatic Conservation - Aquatic Invasive Species	Natural Resources	$ 451,256	$ 59,589
	Program 15.608 Total:		**$ 465,820**	**$ 59,589**
15.611	R&D-Wildlife Restoration and Basic Hunter Education and Safety	Natural Resources	$ 1,147,757	$ -
15.615	Cooperative Endangered Species Conservation Fund	Natural Resources	$ 139,021	$ -
15.616	Clean Vessel Act	Natural Resources	$ 16,966	$ 16,966
15.634	State Wildlife Grants	Natural Resources	$ 1,943,116	$ 221,584
15.657	Endangered Species Recovery Implementation	MN Zoological Board	$ 641	$ -
15.658	Natural Resource Damage Assessment and Restoration	Natural Resources	$ 1,895,227	$ 100,000
15.658	Natural Resource Damage Assessment and Restoration	Pollution Control Agency	$ 350,123	$ 7,836
	Program 15.658 Total:		**$ 2,245,350**	**$ 107,836**
15.662	Great Lakes Restoration	MN Zoological Board	$ 108,585	$ -
15.662	Great Lakes Restoration	Natural Resources	$ 1,023,812	$ -
	Program 15.662 Total:		**$ 1,132,397**	**$ -**
15.666	Endangered Species Conservation-Wolf Livestock Loss Compensation and Prevention	Agriculture	$ 75,258	$ -
15.669	Cooperative Landscape Conservation	Natural Resources	$ 142,780	$ -
15.684	White-nose Syndrome National Response Implementation	Natural Resources	$ 40,949	$ -
15.904	Historic Preservation Fund Grants-In-Aid	Administration	$ 1,167,439	$ 112,492
15.916	Outdoor Recreation Acquisition, Development and Planning	Natural Resources	$ 2,860,915	$ 2,797,053
15.941	Mississippi National River and Recreation Area State and Local Assistance	Natural Resources	$ 156,326	$ -
15.978	Upper Mississippi River Restoration Long Term Resource Monitoring	Natural Resources	$ 992,062	$ -
15.980	National Ground-Water Monitoring Network	Natural Resources	$ 28,883	$ -
	U.S. Department of the Interior Total:		**$ 56,188,189**	**$ 3,411,742**
U.S. Department of Justice				
16.001	Law Enforcement Assistance Narcotics and Dangerous Drugs Laboratory Analysis	Corrections	$ 7,923	$ -
16.017	Sexual Assault Services Formula Program	Public Safety	$ 759,874	$ 753,949
16.021	Justice Systems Response to Families	Trial Courts	$ 174,041	$ -
16.043	Veterans Treatment Court Discretionary Grant Program	Trial Courts	$ 169,021	$ -
16.320	Services for Trafficking Victims	Health	$ 452,266	$ 242,795

The notes (referenced in parentheses) are an integral part of these statements.

State of Minnesota
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024

ALN	Federal Program Name or *Pass-Through Entity (Identifying Number)*	State Agency	Total Federal Expenditures	Amounts Provided to Subrecipients
16.525	Grants to Reduce Domestic Violence, Dating Violence, Sexual Assault, and Stalking on Campus	MnSCU	$ 122,227	$ -
16.540	Juvenile Justice and Delinquency Prevention	Public Safety	$ 907,568	$ 638,729
16.543	Missing Children's Assistance	Public Safety	$ 350,910	$ -
16.554	National Criminal History Improvement Program (NCHIP)	Public Safety	$ 1,997,783	$ -
16.575	Crime Victim Assistance	Public Safety	$ 23,002,303	$ 21,900,653
16.576	Crime Victim Compensation	Public Safety	$ 1,126,771	$ -
16.582	Crime Victim Assistance/Discretionary Grants	Public Safety	$ 84,974	$ 80,616
16.585	Treatment Court Discretionary Grant Program	Supreme Court	$ 151,683	$ -
16.585	Treatment Court Discretionary Grant Program	Trial Courts	$ 675,887	$ -
	Program 16.585 Total:		**$ 827,570**	**$ -**
16.588	Violence Against Women Formula Grants	Public Safety	$ 2,069,382	$ 1,910,011
16.593	Residential Substance Abuse Treatment for State Prisoners	Public Safety	$ 277,078	$ -
16.606	State Criminal Alien Assistance Program	Corrections	$ 387,754	$ -
16.609	Project Safe Neighborhoods	Public Safety	$ 260,225	$ 212,909
16.710	Public Safety Partnership and Community Policing Grants	Public Safety	$ 1,629,895	$ -
16.735	PREA Program: Strategic Support for PREA Implementation	Public Safety	$ 49,274	$ -
16.738	Edward Byrne Memorial Justice Assistance Grant Program	Public Safety	$ 3,297,064	$ 3,007,520
16.741	DNA Backlog Reduction Program	Public Safety	$ 1,331,280	$ -
16.742	Paul Coverdell Forensic Sciences Improvement Grant Program	Public Safety	$ 263,829	$ 176,526
16.745	Criminal and Juvenile Justice and Mental Health Collaboration Program	Corrections	$ 17,853	$ -
16.750	Support for Adam Walsh Act Implementation Grant Program	Public Safety	$ 345,753	$ -
16.753	Congressionally Recommended Awards	MnSCU	$ 1,525,707	$ -
16.754	Harold Rogers Prescription Drug Monitoring Program	Public Safety	$ 59,574	$ -
16.812	Second Chance Act Reentry Initiative	Corrections	$ 54,078	$ -
16.831	Children of Incarcerated Parents	Health	$ 247,869	$ 166,773
16.833	National Sexual Assault Kit Initiative	Public Safety	$ 695,541	$ 125,580
16.838	Comprehensive Opioid, Stimulant, and other Substances Use Program	Health	$ 1,540,296	$ 1,123,055
16.838	Comprehensive Opioid, Stimulant, and other Substances Use Program	Public Safety	$ 1,113,724	$ 844,709
	Program 16.838 Total:		**$ 2,654,020**	**$ 1,967,764**
16.839	STOP School Violence	Education	$ 3,198	$ -
	U.S. Department of Justice Total:		**$ 45,152,605**	**$ 31,183,825**
U.S. Department of Labor				
WIOA Cluster				
17.258	WIOA Adult Program	DEED	$ 9,371,936	$ 8,051,146
17.258	WIOA Adult Program	MnSCU	$ 811,647	$ -
	Program 17.258 Total:		**$ 10,183,583**	**$ 8,051,146**
17.259	WIOA Youth Activities	DEED	$ 10,392,975	$ 8,834,029
17.278	WIOA Dislocated Worker Formula Grants	DEED	$ 8,227,277	$ 5,689,094
	WIOA Cluster Total:		**$ 28,803,835**	**$ 22,574,269**
Employment Service Cluster				
17.207	Employment Service/Wagner-Peyser Funded Activities	DEED	$ 18,717,133	$ 504
17.801	Jobs for Veterans State Grants	DEED	$ 2,963,320	$ 114
	Employment Service Cluster Total:		**$ 21,680,453**	**$ 618**
17.002	Labor Force Statistics	DEED	$ 1,479,429	$ -
17.005	Compensation and Working Conditions	Labor and Industry	$ 127,689	$ -
17.225	Unemployment Insurance (5)	DEED	$ 1,258,888,336	$ -
17.225	ARRA-Unemployment Insurance (5)	DEED	$ 507,546	$ -
17.225	COVID-19-Unemployment Insurance (5)	DEED	$ 1,909,636	$ -
	Program 17.225 Total:		**$ 1,261,305,518**	**$ -**
17.235	Senior Community Service Employment Program	DEED	$ 1,712,819	$ 1,627,179
17.245	Trade Adjustment Assistance	DEED	$ 2,224,121	$ -
17.261	Workforce Data Quality Initiative (WDQI)	MnSCU	$ 394,102	$ -
17.270	Reentry Employment Opportunities	DEED	$ 1,635,301	$ -
17.271	Work Opportunity Tax Credit Program (WOTC)	DEED	$ 384,920	$ -
17.273	Temporary Labor Certification for Foreign Workers	DEED	$ 322,041	$ -

The notes (referenced in parentheses) are an integral part of these statements.

State of Minnesota
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024

ALN	Federal Program Name or *Pass-Through Entity (Identifying Number)*	State Agency	Total Federal Expenditures	Amounts Provided to Subrecipients
17.277	COVID-19-WIOA National Dislocated Worker Grants / WIA National Emergency Grants	DEED	$ 23,820	$ -
17.281	WIOA Dislocated Worker National Reserve Technical Assistance and Training	DEED	$ 659,876	$ -
17.285	Registered Apprenticeship	Labor and Industry	$ 699,525	$ 43,316
17.503	Occupational Safety and Health State Program	Labor and Industry	$ 5,818,101	$ -
17.504	Consultation Agreements	Labor and Industry	$ 1,079,948	$ -
17.600	Mine Health and Safety Grants	MnSCU	$ 416,173	$ -
17.720	Disability Employment Policy Development	DEED	$ 5,989,970	$ 4,192,979
	U.S. Department of Labor Total:		**$ 1,334,757,641**	**$ 28,438,361**
U.S. Department of State				
19.009	Academic Exchange Programs - Undergraduate Programs	MnSCU	$ 18,514	$ -
19.040	Public Diplomacy Programs	MnSCU	$ 15,540	$ -
19.345	International Programs to Support Democracy, Human Rights and Labor	MnSCU	$ 262,296	$ -
	U.S. Department of State Total:		**$ 296,350**	**$ -**
U.S. Department of Transportation				
Transit Services Programs Cluster				
20.513	Enhanced Mobility of Seniors and Individuals with Disabilities	Transportation	$ 4,720,194	$ 4,268,987
	Transit Services Programs Cluster Total:		**$ 4,720,194**	**$ 4,268,987**
Highway Safety Cluster				
20.600	State and Community Highway Safety	Public Safety	$ 9,791,124	$ 4,524,178
20.616	National Priority Safety Programs	Public Safety	$ 6,690,320	$ 1,055,209
	Highway Safety Cluster Total:		**$ 16,481,444**	**$ 5,579,387**
Federal Transit Cluster				
20.526	Buses and Bus Facilities Formula, Competitive, and Low or No Emissions Programs	Transportation	$ 906,103	$ 887,648
	Federal Transit Cluster Total:		**$ 906,103**	**$ 887,648**
Federal Motor Carrier Safety Assistance (FMCSA) Cluster				
20.218	Motor Carrier Safety Assistance	Public Safety	$ 11,902,324	$ -
20.237	Motor Carrier Safety Assistance High Priority Activities Grants and Cooperative Agreements	Public Safety	$ 298,581	$ -
	Federal Motor Carrier Safety Assistance (FMCSA) Cluster Total:		**$ 12,200,905**	**$ -**
20.106	Airport Improvement Program, Infrastructure Investment and Jobs Act Programs, and COVID-19 Airports Programs (8)	Transportation	$ 15,516	$ -
20.200	Highway Research and Development Program	MnSCU	$ 27,759	$ -
20.200	R&D-Highway Research and Development Program	Transportation	$ 3,905,794	$ -
20.205	Highway Planning and Construction	MnSCU	$ 6,874	$ -
20.205	Highway Planning and Construction	Natural Resources	$ 424,261	$ -
20.205	Highway Planning and Construction	Transportation	$ 864,826,009	$ 225,389,958
	Program 20.205 Total:		**$ 865,257,144**	**$ 225,389,958**
20.205	R&D-Highway Planning and Construction	Transportation	$ 4,783,318	$ -
20.215	Highway Training and Education	Transportation	$ 855,031	$ 553,387
20.215	R&D-Highway Training and Education	Transportation	$ 157,500	$ -
20.219	Recreational Trails Program	Natural Resources	$ 2,546,224	$ 1,706,214
20.224	Federal Lands Access Program	Transportation	$ 1,415,447	$ 1,415,447
20.232	Commercial Driver's License Program Implementation Grant	Public Safety	$ 72,528	$ -
20.301	Railroad Safety	Transportation	$ 4,328	$ -
20.505	Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research	Transportation	$ 14,819	$ 12,807
20.509	Formula Grants for Rural Areas and Tribal Transit Program	Transportation	$ 38,312,501	$ 34,625,828
20.509	COVID-19-Formula Grants for Rural Areas and Tribal Transit Program	Transportation	$ 902,083	$ 902,083
	Program 20.509 Total:		**$ 39,214,584**	**$ 35,527,911**
20.514	Public Transportation Research, Technical Assistance, and Training	Transportation	$ 20,000	$ -
20.528	Rail Fixed Guideway Public Transportation System State Safety Oversight Formula Grant Program	Public Safety	$ 266,213	$ -
20.530	Public Transportation Innovation	MnSCU	$ 80,111	$ -
20.530	Public Transportation Innovation	Transportation	$ 115,551	$ -

The notes (referenced in parentheses) are an integral part of these statements.

State of Minnesota
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024

ALN	Federal Program Name or *Pass-Through Entity (Identifying Number)*	State Agency	Total Federal Expenditures	Amounts Provided to Subrecipients
20.530	COVID-19-Public Transportation Innovation	Transportation	$ 36,455	$ -
	Program 20.530 Total:		**$ 232,117**	**$ -**
20.608	Minimum Penalties for Repeat Offenders for Driving While Intoxicated	Public Safety	$ 7,622,293	$ 2,915,279
20.614	National Highway Traffic Safety Administration (NHTSA) Discretionary Safety Grants and Cooperative Agreements	Public Safety	$ 104,017	$ -
20.700	Pipeline Safety Program State Base Grant	Public Safety	$ 1,721,297	$ -
20.703	Interagency Hazardous Materials Public Sector Training and Planning Grants	Public Safety	$ 325,407	$ 139,508
20.720	State Damage Prevention Program Grants	Public Safety	$ 64,863	$ -
20.721	PHMSA Pipeline Safety Program One Call Grant	Public Safety	$ 43,191	$ -
20.725	PHMSA Pipeline Safety Underground Natural Gas Storage Grant	Public Safety	$ 32,426	$ -
	U.S. Department of Transportation Total:		**$ 963,010,462**	**$ 278,396,533**
U.S. Department of the Treasury				
21.027	COVID-19-Coronavirus State and Local Fiscal Recovery Funds	MN Management & Budget	$ 13,323,428	$ -
21.029	COVID-19-Coronavirus Capital Projects Fund	DEED	$ 19,969,120	$ 19,367,233
21.029	COVID-19-Coronavirus Capital Projects Fund	Education	$ 12,172	$ -
	Program 21.029 Total:		**$ 19,981,292**	**$ 19,367,233**
	U.S. Department of the Treasury Total:		**$ 33,304,720**	**$ 19,367,233**
U.S. General Services Administration				
39.003	Donation of Federal Surplus Personal Property	Administration	$ 408,354	$ -
	U.S. General Services Administration Total:		**$ 408,354**	**$ -**
U.S. National Aeronautics and Space Administration				
43.001	Science	MnSCU	$ 21,897	$ -
43.001	*Pass-Through from the University of Minnesota (80NSSC20M0111)*	MnSCU	$ 37,626	$ -
	Program 43.001 Total:		**$ 59,523**	**$ -**
43.002	Aeronautics	MnSCU	$ 8,925	$ -
43.008	Office of Stem Engagement (OSTEM)	MnSCU	$ 20,600	$ -
	U.S. National Aeronautics and Space Administration Total:		**$ 89,048**	**$ -**
U.S. National Foundation on the Arts and the Humanities				
45.025	Promotion of the Arts Partnership Agreements	Arts Board	$ 1,048,964	$ 77,007
45.161	Promotion of the Humanities Research	MnSCU	$ 4,831	$ -
45.310	Grants to States	Education	$ 2,637,250	$ 1,637,666
	U.S. National Foundation on the Arts and the Humanities Total:		**$ 3,691,045**	**$ 1,714,673**
U.S. National Science Foundation				
47.049	R&D-Mathematical and Physical Sciences	MnSCU	$ 221,388	$ -
47.050	R&D-Geosciences	MnSCU	$ 236,093	$ -
47.070	R&D-Computer and Information Science and Engineering	MnSCU	$ 1,122	$ -
47.074	R&D-Biological Sciences	MnSCU	$ 163,449	$ -
47.075	R&D-Social, Behavioral, and Economic Sciences	MnSCU	$ 20,053	$ -
47.076	R&D-STEM Education (formerly Education and Human Resources)	MnSCU	$ 5,183,934	$ -
47.076	*Pass-Through from the University of Minnesota (1712619)*	MnSCU	$ 63,992	$ -
	Program 47.076 Total:		**$ 5,247,926**	**$ -**
	U.S. National Science Foundation Total:		**$ 5,890,031**	**$ -**
U.S. Small Business Administration				
59.037	Small Business Development Centers	DEED	$ 2,692,073	$ 1,997,188
59.037	Small Business Development Centers	MnSCU	$ 556,443	$ -
	Program 59.037 Total:		**$ 3,248,516**	**$ 1,997,188**
59.061	State Trade Expansion	DEED	$ 68,341	$ -
59.077	Community Navigator Pilot Program	MnSCU	$ 261,096	$ -
	U.S. Small Business Administration Total:		**$ 3,577,953**	**$ 1,997,188**
U.S. Department of Veterans Affairs				
64.005	Grants to States for Construction of State Home Facilities	Veterans Affairs	$ 8,278,113	$ -
64.027	Post-9/11 Veterans Educational Assistance	MnSCU	$ 246,447	$ -
64.028	Post-9/11 Veterans Educational Assistance	MnSCU	$ 78,688	$ -
64.203	Veterans Cemetery Grants Program	Veterans Affairs	$ 951,324	$ -
	U.S. Department of Veterans Affairs Total:		**$ 9,554,572**	**$ -**

The notes (referenced in parentheses) are an integral part of these statements.

State of Minnesota
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024

ALN	Federal Program Name or *Pass-Through Entity (Identifying Number)*	State Agency	Total Federal Expenditures	Amounts Provided to Subrecipients
U.S. Environmental Protection Agency				
66.032	State and Tribal Indoor Radon Grants	Health	$ 506,568	$ -
66.034	Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act	Pollution Control Agency	$ 547,770	$ -
66.040	Diesel Emissions Reduction Act (DERA) State Grants	Pollution Control Agency	$ 652,982	$ 522,421
66.046	Climate Pollution Reduction Grants	Pollution Control Agency	$ 307,241	$ -
66.204	Multipurpose Grants to States and Tribes	Agriculture	$ 16,959	$ -
66.204	Multipurpose Grants to States and Tribes	Pollution Control Agency	$ 42,836	$ -
	Program 66.204 Total:		**$ 59,795**	**$ -**
66.419	Water Pollution Control State, Interstate, and Tribal Program Support	Health	$ 48,477	$ -
66.419	Water Pollution Control State, Interstate, and Tribal Program Support	Pollution Control Agency	$ 344,236	$ -
	Program 66.419 Total:		**$ 392,713**	**$ -**
66.432	State Public Water System Supervision	Health	$ 3,847,116	$ -
66.442	Water Infrastructure Improvements for the Nation Small and Underserved Communities Emerging Contaminants Grant Program	Health	$ 1,089,151	$ 913,000
66.444	Voluntary School and Child Care Lead Testing and Reduction Grant Program (SDWA 1464(d))	Health	$ 485,751	$ -
66.447	Sewer Overflow and Stormwater Reuse Municipal Grant Program	Pollution Control Agency	$ 5,664	$ 5,664
66.454	Water Quality Management Planning	Pollution Control Agency	$ 248,293	$ -
66.460	Nonpoint Source Implementation Grants	Pollution Control Agency	$ 2,001,336	$ 1,978,729
66.461	Regional Wetland Program Development Grants	Water & Soil Resources	$ 32,282	$ -
66.469	Geographic Programs - Great Lakes Restoration Initiative	Agriculture	$ 62,970	$ 61,120
66.469	Geographic Programs - Great Lakes Restoration Initiative	Health	$ 119,023	$ -
66.469	Geographic Programs - Great Lakes Restoration Initiative	Natural Resources	$ 1,313,755	$ 19,521
66.469	Geographic Programs - Great Lakes Restoration Initiative	Pollution Control Agency	$ 1,047,793	$ 57,651
	Program 66.469 Total:		**$ 2,543,541**	**$ 138,292**
66.472	Beach Monitoring and Notification Program Implementation Grants	Health	$ 159,356	$ -
66.485	Support for the Gulf Hypoxia Action Plan	Pollution Control Agency	$ 477,435	$ -
66.605	Performance Partnership Grants	Agriculture	$ 652,562	$ -
66.605	Performance Partnership Grants	Health	$ 249,879	$ -
66.605	Performance Partnership Grants	Pollution Control Agency	$ 13,407,223	$ 45,077
	Program 66.605 Total:		**$ 14,309,664**	**$ 45,077**
66.708	Pollution Prevention Grants Program	Pollution Control Agency	$ 145,606	$ 127,957
66.802	Superfund State, Political Subdivision, and Indian Tribe Site-Specific Cooperative Agreements	Pollution Control Agency	$ 415,400	$ -
66.804	Underground Storage Tank (UST) Prevention, Detection, and Compliance Program	Pollution Control Agency	$ 553,502	$ -
66.805	Leaking Underground Storage Tank Trust Fund Corrective Action Program	Pollution Control Agency	$ 1,860,327	$ -
66.809	Superfund State and Indian Tribe Core Program Cooperative Agreements	Pollution Control Agency	$ 160,528	$ -
66.817	State and Tribal Response Program Grants	Pollution Control Agency	$ 2,217,419	$ -
66.818	Brownfields Multipurpose, Assessment, Revolving Loan Fund, and Cleanup Cooperative Agreements	DEED	$ 1,279,080	$ 648,936
66.818	Brownfields Multipurpose, Assessment, Revolving Loan Fund, and Cleanup Cooperative Agreements	Pollution Control Agency	$ 946,995	$ -
	Program 66.818 Total:		**$ 2,226,075**	**$ 648,936**
66.951	Environmental Education Grants Program	MnSCU	$ 33,652	$ -
	U.S. Environmental Protection Agency Total:		**$ 35,279,167**	**$ 4,380,076**
U.S. Department of Energy				
81.041	State Energy Program	Commerce	$ 1,948,624	$ 72,172
81.042	Weatherization Assistance for Low-Income Persons	Commerce	$ 18,160,791	$ 15,876,188
81.138	State Heating Oil and Propane Program	Commerce	$ 1,389	$ -

The notes (referenced in parentheses) are an integral part of these statements.

State of Minnesota
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024

ALN	Federal Program Name or *Pass-Through Entity (Identifying Number)*	State Agency	Total Federal Expenditures	Amounts Provided to Subrecipients
81.254	Grid Infrastructure Deployment and Resilience	Commerce	$ 138,510	$ -
	U.S. Department of Energy Total:		**$ 20,249,314**	**$ 15,948,360**
U.S. Department of Education				
TRIO Cluster				
84.042	TRIO Student Support Services	MnSCU	$ 11,326,971	$ -
84.044	TRIO Talent Search	MnSCU	$ 956,707	$ -
84.047	TRIO Upward Bound	MnSCU	$ 8,033,276	$ -
84.066	TRIO Educational Opportunity Centers	MnSCU	$ 965,861	$ -
84.217	TRIO McNair Post-Baccalaureate Achievement	MnSCU	$ 315,768	$ -
	TRIO Cluster Total:		**$ 21,598,583**	**$ -**
Student Financial Assistance Cluster				
84.007	Federal Supplemental Educational Opportunity Grants	MnSCU	$ 6,302,470	$ -
84.033	Federal Work-Study Program	MnSCU	$ 6,163,299	$ -
84.038	Federal Perkins Loan Program Federal Capital Contributions (2)	MnSCU	$ 5,476,275	$ -
84.063	Federal Pell Grant Program	MnSCU	$ 204,286,653	$ -
84.268	Federal Direct Student Loans (3)	MnSCU	$ 307,868,576	$ -
84.379	Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)	MnSCU	$ 382,313	$ -
84.408	Postsecondary Education Scholarships for Veteran's Dependents	MnSCU	$ 23,159	$ -
Special Education (IDEA) Cluster				
84.027	Special Education Grants to States	Education	$ 213,395,678	$ 194,505,421
84.027X	COVID-19-Special Education Grants to States	Education	$ 2,486,161	$ 2,474,598
	Program 84.027 Total:		**$ 215,881,839**	**$ 196,980,019**
84.173	Special Education Preschool Grants	Education	$ 8,256,673	$ 6,938,954
84.173X	COVID-19-Special Education Preschool Grants	Education	$ 337,161	$ 337,161
	Program 84.173 Total:		**$ 8,593,834**	**$ 7,276,115**
	Special Education (IDEA) Cluster Total:		**$ 224,475,673**	**$ 204,256,134**
84.002	Adult Education - Basic Grants to States	Education	$ 7,776,532	$ 6,334,575
84.010	Title I Grants to Local Educational Agencies	Education	$ 184,216,051	$ 182,269,806
84.011	Migrant Education State Grant Program	Education	$ 1,945,858	$ 1,583,292
84.013	Title I State Agency Program for Neglected and Delinquent Children and Youth	Education	$ 322,848	$ -
84.021	Overseas Programs - Group Projects Abroad	MnSCU	$ 9,916	$ -
84.031	Higher Education Institutional Aid	MnSCU	$ 4,454,646	$ -
84.048	Career and Technical Education -- Basic Grants to States	MnSCU	$ 23,899,579	$ 9,059,814
84.116	Fund for the Improvement of Postsecondary Education	MnSCU	$ 3,751,187	$ -
84.126	Rehabilitation Services Vocational Rehabilitation Grants to States	DEED	$ 86,129,133	$ -
84.129	Rehabilitation Long-Term Training	MnSCU	$ 354,657	$ -
84.144	Migrant Education Coordination Program	Education	$ 22,328	$ -
84.169	Independent Living State Grants	DEED	$ 14,482	$ -
84.177	Rehabilitation Services Independent Living Services for Older Individuals Who are Blind	DEED	$ 1,372,078	$ -
84.181	Special Education-Grants for Infants and Families	Education	$ 8,126,397	$ 6,713,910
84.181X	COVID-19-Special Education-Grants for Infants and Families	Education	$ 1,340,748	$ 604,891
	Program 84.181 Total:		**$ 9,467,145**	**$ 7,318,801**
84.184	School Safely National Activities	Education	$ 146,357	$ 15,000
84.184	School Safely National Activities	MnSCU	$ 973,238	$ -
	Program 84.184 Total:		**$ 1,119,595**	**$ 15,000**
84.187	Supported Employment Services for Individuals with the Most Significant Disabilities	DEED	$ 17,134	$ -
84.196	Education for Homeless Children and Youth	Education	$ 1,169,099	$ 867,637
84.206	Javits Gifted and Talented Students Education	Education	$ 533,521	$ 424,648
84.282	Charter Schools	Education	$ 1,128,879	$ 856,687
84.287	Twenty-First Century Community Learning Centers	Education	$ 11,916,530	$ 11,356,677
84.299	Indian Education -- Special Programs for Indian Children	MnSCU	$ 240,041	$ -
84.305	Education Research, Development and Dissemination			
84.305	*Pass-Through from the University of Minnesota (R305A190182)*	MnSCU	$ 29,784	$ -
84.323	Special Education - State Personnel Development	Education	$ 1,300,762	$ 917,278

The notes (referenced in parentheses) are an integral part of these statements.

State of Minnesota
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024

ALN	Federal Program Name or *Pass-Through Entity (Identifying Number)*	State Agency	Total Federal Expenditures	Amounts Provided to Subrecipients
84.324	Research In Special Education	MnSCU	$ 5,848	$ -
84.325	Special Education - Personnel Development to Improve Services and Results for Children with Disabilities	MnSCU	$ 293,677	$ -
84.326	Special Education Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities	Education	$ 176,629	$ 176,629
84.335	Child Care Access Means Parents In School	MnSCU	$ 914,204	$ -
84.350	Transition to Teaching	MnSCU	$ 85,326	$ -
84.351	Arts In Education	Education	$ 1,000,514	$ -
84.358	Rural Education	Education	$ 109,045	$ 99,632
84.365	English Language Acquisition State Grants	Education	$ 11,251,751	$ 10,657,990
84.367	Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	Education	$ 25,970,979	$ 24,421,940
84.368	Competitive Grants for State Assessments	Education	$ 568,900	$ -
84.369	Grants for State Assessments and Related Activities	Education	$ 7,641,800	$ -
84.371	Comprehensive Literacy Development	Education	$ 11,435,235	$ 10,835,668
84.372	Statewide Longitudinal Data Systems	Education	$ 126,589	$ -
84.382	Strengthening Minority-Serving Institutions	MnSCU	$ 304,905	$ -
84.421	Disability Innovation Fund (DIF)	DEED	$ 625,197	$ 4,400
84.422	American History and Civics Education	MnSCU	$ 34,882	$ -
84.424	Student Support and Academic Enrichment Program	Education	$ 15,705,208	$ 15,063,828
COVID-19-Education Stabilization Fund				
84.425C	COVID-19-Governor's Emergency Education Relief (GEER) Fund	Education	$ 410,068	$ 410,068
84.425C	COVID-19-Governor's Emergency Education Relief (GEER) Fund	MnSCU	$ 70,272	$ -
84.425D	COVID-19-Elementary and Secondary School Emergency Relief (ESSER) Fund	Education	$ 12,115,517	$ 11,501,260
84.425F	COVID-19-HEERF Institutional Aid	MnSCU	$ 5,474,273	$ -
84.425K	COVID-19-HEERF Tribally Controlled Colleges and Universities (TCCUs)	MnSCU	$ 162,991	$ -
84.425P	COVID-19-Institutional Resilience and Expanded Postsecondary Opportunity (HEERF IREPO)	MnSCU	$ 234,270	$ -
84.425R	COVID-19-Coronavirus Response and Relief Supplemental Appropriations Act, 2021 – Emergency Assistance to Non-Public Schools (CRRSA EANS) program	Education	$ 6,918,653	$ -
84.425T	COVID-19-HEERF Supplemental Support Under American Rescue Plan (SSARP) Program	MnSCU	$ 48,132	$ -
84.425U	COVID-19-American Rescue Plan -Elementary and Secondary School Emergency Relief (ARP ESSER)	Education	$ 464,290,744	$ 458,511,513
84.425V	COVID-19-American Rescue Plan -Emergency Assistance to Non-Public Schools (ARP EANS) program	Education	$ 17,604,349	$ -
84.425W	COVID-19-American Rescue Plan – Elementary and Secondary School Emergency Relief –Homeless Children and Youth	Education	$ 2,968,593	$ 2,673,653
	Program 84.425 Total:		**$ 510,297,862**	**$ 473,096,494**
	U.S. Department of Education Total:		**$ 1,704,317,337**	**$ 959,616,930**
U.S. Election Assistance Commission				
90.404	HAVA Election Security Grants	Secretary of State	$ 1,028,968	$ -
	U.S. Election Assistance Commission Total:		**$ 1,028,968**	**$ -**
U.S. Department of Health and Human Services				
Student Financial Assistance Cluster				
93.364	Nursing Student Loans (2)	MnSCU	$ 8,958	$ -
Medicaid Cluster				
93.775	State Medicaid Fraud Control Units	Attorney General	$ 3,283,236	$ -
93.777	State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare	Health	$ 11,426,468	$ -
93.777	State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare	Human Services	$ 8,211,199	$ -
	Program 93.777 Total:		**$ 19,637,667**	**$ -**
93.778	Medical Assistance Program (4)	Human Services	$ 11,369,959,213	$ 267,748,679

The notes (referenced in parentheses) are an integral part of these statements.

State of Minnesota
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024

ALN	Federal Program Name or *Pass-Through Entity (Identifying Number)*	State Agency	Total Federal Expenditures	Amounts Provided to Subrecipients
93.778	COVID-19-Medical Assistance Program	Human Services	$ 103,581,554	$ -
	Program 93.778 Total:		**$ 11,473,540,767**	**$ 267,748,679**
	Medicaid Cluster Total:		**$ 11,496,461,670**	**$ 267,748,679**
Head Start Cluster				
93.600	Head Start	Education	$ 125,731	$ -
93.600	Head Start	MnSCU	$ 655,597	$ -
	Program 93.600 Total:		**$ 781,328**	**$ -**
	Head Start Cluster Total:		**$ 781,328**	**$ -**
Child Care and Development Fund (CCDF) Cluster				
93.575	Child Care and Development Block Grant	Human Services	$ 125,855,123	$ 36,623,037
93.575	Child Care and Development Block Grant	MnSCU	$ 112	$ -
93.575	COVID-19-Child Care and Development Block Grant	Human Services	$ 122,327,768	$ 22,177,444
	Program 93.575 Total:		**$ 248,183,003**	**$ 58,800,481**
93.596	Child Care Mandatory and Matching Funds of the Child Care and Development Fund	Human Services	$ 87,503,877	$ -
	Child Care and Development Fund (CCDF) Cluster Total:		**$ 335,686,880**	**$ 58,800,481**
Aging Cluster				
93.044	Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	Human Services	$ 7,402,365	$ 5,931,990
93.044	Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	MnSCU	$ 35,462	$ -
93.044	COVID-19-Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	Human Services	$ 3,606,556	$ 3,423,438
	Program 93.044 Total:		**$ 11,044,383**	**$ 9,355,428**
93.045	Special Programs for the Aging, Title III, Part C, Nutrition Services	Human Services	$ 14,904,278	$ 14,241,288
93.045	COVID-19-Special Programs for the Aging, Title III, Part C, Nutrition Services	Human Services	$ 4,188,909	$ 3,914,634
	Program 93.045 Total:		**$ 19,093,187**	**$ 18,155,922**
93.053	Nutrition Services Incentive Program	Human Services	$ 1,775,101	$ 1,775,101
	Aging Cluster Total:		**$ 31,912,671**	**$ 29,286,451**
93.008	Medical Reserve Corps Small Grant Program	Health	$ 171,653	$ 167,742
93.008	*Pass-Through from the National Association of County and City Health Officials (MRC RISE 22-2187)*	Health	$ 93,542	$ -
	Program 93.008 Total:		**$ 265,195**	**$ 167,742**
93.041	Special Programs for the Aging, Title VII, Chapter 3, Programs for Prevention of Elder Abuse, Neglect, and Exploitation	Human Services	$ 74,270	$ -
93.042	Special Programs for the Aging, Title VII, Chapter 2, Long Term Care Ombudsman Services for Older Individuals	Human Services	$ 253,549	$ -
93.042	COVID-19-Special Programs for the Aging, Title VII, Chapter 2, Long Term Care Ombudsman Services for Older Individuals	Human Services	$ 6,561	$ -
	Program 93.042 Total:		**$ 260,110**	**$ -**
93.043	Special Programs for the Aging, Title III, Part D, Disease Prevention and Health Promotion Services	Human Services	$ 559,753	$ 531,439
93.043	COVID-19-Special Programs for the Aging, Title III, Part D, Disease Prevention and Health Promotion Services	Human Services	$ 308,128	$ 289,215
	Program 93.043 Total:		**$ 867,881**	**$ 820,654**
93.048	Special Programs for the Aging, Title IV, and Title II, Discretionary Projects	Human Services	$ 424,130	$ 258,148
93.052	National Family Caregiver Support, Title III, Part E	Human Services	$ 3,221,124	$ 3,061,925
93.052	COVID-19-National Family Caregiver Support, Title III, Part E	Human Services	$ 1,161,351	$ 1,106,447
	Program 93.052 Total:		**$ 4,382,475**	**$ 4,168,372**
93.069	Public Health Emergency Preparedness	Health	$ 11,761,420	$ 4,712,423
93.070	Environmental Public Health and Emergency Response	Health	$ 2,984,994	$ 78,731
93.071	Medicare Enrollment Assistance Program	Human Services	$ 424,372	$ 343,249
93.073	Birth Defects and Developmental Disabilities - Prevention and Surveillance	Health	$ 1,066,832	$ -
93.080	Blood Disorder Program: Prevention, Surveillance, and Research	Health	$ 266,997	$ 44,830

The notes (referenced in parentheses) are an integral part of these statements.

State of Minnesota
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024

ALN	Federal Program Name or *Pass-Through Entity (Identifying Number)*	State Agency	Total Federal Expenditures	Amounts Provided to Subrecipients
93.084	Prevention of Disease, Disability, and Death by Infectious Diseases	Health	$ 1,965,705	$ -
93.084	*Pass-Through from the Massachusetts General Hospital (229507)*	Health	$ 36,232	$ -
	Program 93.084 Total:		**$ 2,001,937**	**$ -**
93.088	Advancing System Improvements for Key Issues in Women's Health	Health	$ 374,653	$ 46,394
93.090	Guardianship Assistance	Human Services	$ 20,469,380	$ 38,609
93.090	COVID-19-Guardianship Assistance	Human Services	$ 191,795	$ -
	Program 93.090 Total:		**$ 20,661,175**	**$ 38,609**
93.092	Affordable Care Act (ACA) Personal Responsibility Education Program	Health	$ 786,830	$ 570,246
93.103	Food and Drug Administration Research	Health	$ 139,264	$ -
93.103	*Pass-Through from the National Environmental Health Association (Unknown)*	Agriculture	$ 188,677	$ -
93.103	*Pass-Through from the Association of Food and Drug Officials (Unknown)*	Agriculture	$ 54,945	$ -
93.103	*Pass-Through from the National Environmental Health Association (G-OATR-202210-02775)*	Health	$ 2,536	$ -
93.103	*Pass-Through from the National Environmental Health Association (G-OATR-202111-01632)*	Health	$ 46	$ -
93.103	*Pass-Through from the National Environmental Health Association (G-OACB-202111-01636)*	Health	$ 117,446	$ -
93.103	*Pass-Through from the National Environmental Health Association (G-BDEV2-202309-04575)*	Health	$ 600	$ -
93.103	*Pass-Through from the National Environmental Health Association (G-BDEV2-202209-02620)*	Health	$ 4,993	$ -
	Program 93.103 Total:		**$ 508,507**	**$ -**
93.103	R&D-Food and Drug Administration Research	Agriculture	$ 2,415,718	$ 6,405
93.110	Maternal and Child Health Federal Consolidated Programs	Health	$ 1,407,083	$ 312,124
93.110	*Pass-Through from the Association of Public Health Laboratories (56300-600-158-23-06)*	Health	$ 41,767	$ -
93.110	COVID-19-Maternal and Child Health Federal Consolidated Programs	Health	$ 490,005	$ 311,060
	Program 93.110 Total:		**$ 1,938,855**	**$ 623,184**
93.113	R&D-Environmental Health			
93.113	*Pass-Through from the University of Minnesota (P008233101)*	Health	$ 137,439	$ -
93.113	*Pass-Through from the University of Minnesota (P008233201)*	Health	$ 2,546	$ -
	Program 93.113 Total:		**$ 139,985**	**$ -**
93.116	Project Grants and Cooperative Agreements for Tuberculosis Control Programs	Health	$ 1,997,040	$ 401,496
93.127	Emergency Medical Services for Children	Emergency Med. Services	$ 175,394	$ 165,894
93.130	Cooperative Agreements to States/Territories for the Coordination and Development of Primary Care Offices	Health	$ 232,625	$ -
93.136	Injury Prevention and Control Research and State and Community Based Programs	Health	$ 5,066,095	$ 842,114
93.136	*Pass-Through from the University of New Hampshire (PZL0277)*	Health	$ 20,947	$ -
	Program 93.136 Total:		**$ 5,087,042**	**$ 842,114**
93.137	Community Programs to Improve Minority Health	Health	$ 384,647	$ 201,463
93.145	HIV-Related Training and Technical Assistance	MnSCU	$ 21,817	$ -
93.150	Projects for Assistance in Transition from Homelessness (PATH)	Human Services	$ 836,082	$ 824,799
93.155	COVID-19-Rural Health Research Centers	Health	$ 3,361,380	$ 3,231,333
93.165	Grants to States for Loan Repayment	Health	$ 527,508	$ -
93.178	Nursing Workforce Diversity	MnSCU	$ 620,855	$ -
93.197	Childhood Lead Poisoning Prevention Projects, State and Local Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children	Health	$ 406,081	$ -
93.234	Traumatic Brain Injury State Demonstration Grant Program	Human Services	$ 277,254	$ 42,815

The notes (referenced in parentheses) are an integral part of these statements.

State of Minnesota
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024

ALN	Federal Program Name or *Pass-Through Entity (Identifying Number)*	State Agency	Total Federal Expenditures	Amounts Provided to Subrecipients
93.235	Title V State Sexual Risk Avoidance Education (Title V State SRAE) Program	Health	$ 538,677	$ 343,016
93.236	Grants to States to Support Oral Health Workforce Activities	Health	$ 305,546	$ 5,000
93.240	State Capacity Building	Health	$ 603,012	$ -
93.241	State Rural Hospital Flexibility Program	Health	$ 1,204,597	$ 616,290
93.243	Substance Abuse and Mental Health Services Projects of Regional and National Significance	Education	$ 3,775,181	$ 49,619
93.243	Substance Abuse and Mental Health Services Projects of Regional and National Significance	Health	$ 3,773,377	$ 2,584,379
93.243	Substance Abuse and Mental Health Services Projects of Regional and National Significance	Human Services	$ 545,641	$ 544,418
93.243	Substance Abuse and Mental Health Services Projects of Regional and National Significance	Trial Courts	$ 107,669	$ -
	Program 93.243 Total:		**$ 8,201,868**	**$ 3,178,416**
93.247	Advanced Nursing Education Workforce Grant Program	MnSCU	$ 3,102	$ -
93.251	Early Hearing Detection and Intervention	Health	$ 232,804	$ 81,211
93.262	Occupational Safety and Health Program	Health	$ 192,515	$ -
93.262	*Pass-Through from the University of Minnesota (2U54OH010170-06)*	Health	$ 80,548	$ -
	Program 93.262 Total:		**$ 273,063**	**$ -**
93.268	Immunization Cooperative Agreements	Health	$ 82,399,947	$ 975,641
93.268	COVID-19-Immunization Cooperative Agreements	Health	$ 27,226,420	$ 6,499,051
	Program 93.268 Total:		**$ 109,626,367**	**$ 7,474,692**
93.270	Viral Hepatitis Prevention and Control	Health	$ 287,544	$ 18,173
93.283	Centers for Disease Control and Prevention Investigations and Technical Assistance	Health	$ 958,505	$ -
93.283	*Pass-Through from the University of Minnesota (CON# 87918)*	Health	$ 153,575	$ -
	Program 93.283 Total:		**$ 1,112,080**	**$ -**
93.301	Small Rural Hospital Improvement Grant Program	Health	$ 810,892	$ 703,338
93.314	Early Hearing Detection and Intervention Information System (EHDI-IS) Surveillance Program	Health	$ 158,145	$ 14,102
93.317	Emerging Infections Programs	Health	$ 8,016,172	$ -
93.317	COVID-19-Emerging Infections Programs	Health	$ 2,052,211	$ -
	Program 93.317 Total:		**$ 10,068,383**	**$ -**
93.323	Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	Health	$ 14,841,585	$ 5,019
93.323	Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	MnSCU	$ 104,164	$ -
93.323	COVID-19-Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	Health	$ 81,690,417	$ 13,018,262
	Program 93.323 Total:		**$ 96,636,166**	**$ 13,023,281**
93.324	State Health Insurance Assistance Program	Human Services	$ 866,911	$ 486,935
93.324	COVID-19-State Health Insurance Assistance Program	Human Services	$ 36,483	$ 36,483
	Program 93.324 Total:		**$ 903,394**	**$ 523,418**
93.334	The Healthy Brain Initiative: Technical Assistance to Implement Public Health Actions related to Cognitive Health, Cognitive Impairment, and Caregiving at the State and Local Levels	Health	$ 531,857	$ 117,735
93.336	Behavioral Risk Factor Surveillance System	Health	$ 1,209,099	$ -
93.354	Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	Health	$ 189,948	$ 139,504
93.354	Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	MnSCU	$ 1,046	$ -
93.354	COVID-19-Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	Health	$ 11,840,863	$ 6,610,674
	Program 93.354 Total:		**$ 12,031,857**	**$ 6,750,178**
93.366	State Actions to Improve Oral Health Outcomes and Partner Actions to Improve Oral Health Outcomes	Health	$ 391,544	$ 76,283

The notes (referenced in parentheses) are an integral part of these statements.

State of Minnesota
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024

ALN	Federal Program Name or *Pass-Through Entity (Identifying Number)*	State Agency	Total Federal Expenditures	Amounts Provided to Subrecipients
93.367	Flexible Funding Model - Infrastructure Development and Maintenance for State Manufactured Food Regulatory Programs	Agriculture	$ 5,029	$ -
93.369	ACL Independent Living State Grants	DEED	$ 594,056	$ 321,506
93.387	National and State Tobacco Control Program	Health	$ 1,668,390	$ 270,092
93.391	Activities to Support State, Tribal, Local and Territorial (STLT) Health Department Response to Public Health or Healthcare Crises	MnSCU	$ 10,000	$ -
93.391	COVID-19-Activities to Support State, Tribal, Local and Territorial (STLT) Health Department Response to Public Health or Healthcare Crises	Health	$ 7,895,185	$ 4,218,512
	Program 93.391 Total:		**$ 7,905,185**	**$ 4,218,512**
93.393	R&D-Cancer Cause and Prevention Research			
93.393	*Pass-Through from the University of Minnesota (N009177101)*	Health	$ 60,782	$ -
93.413	The State Flexibility to Stabilize the Market Grant Program	Commerce	$ 225,512	$ -
93.421	Strengthening Public Health Systems and Services through National Partnerships to Improve and Protect the Nation's Health			
93.421	*Pass-Through from the National Association of Chronic Disease Directors (220247)*	Health	$ 104,604	$ 61,870
93.421	*Pass-Through from the National Association of Chronic Disease Directors (230155)*	Health	$ 64,328	$ -
93.421	*Pass-Through from the Council of State and Territorial Epidemiologists (PO 7463)*	Health	$ 266,562	$ -
93.421	*Pass-Through from the Council of State and Territorial Epidemiologists (PO 7880)*	Health	$ 97,658	$ -
93.421	*Pass-Through from the Council of State and Territorial Epidemiologists (PO 7835)*	Health	$ 1,413	$ -
93.421	*Pass-Through from the Council of State and Territorial Epidemiologists (PO 6788)*	Health	$ 21,281	$ 4,880
93.421	*Pass-Through from the Council of State and Territorial Epidemiologists (NU38OT000297)*	Health	$ 47,389	$ -
93.421	*Pass-Through from the National Association of Chronic Disease Directors (240119)*	Health	$ 120,607	$ -
	Program 93.421 Total:		**$ 723,842**	**$ 66,750**
93.423	1332 State Innovation Waivers	Commerce	$ 119,486,495	$ 119,486,495
93.426	The National Cardiovascular Health Program	Health	$ 1,111,921	$ 95,920
93.432	ACL Centers for Independent Living	DEED	$ 1,291,730	$ 1,291,730
93.432	COVID-19-ACL Centers for Independent Living	DEED	$ 320,504	$ 320,504
	Program 93.432 Total:		**$ 1,612,234**	**$ 1,612,234**
93.434	Every Student Succeeds Act/Preschool Development Grants	Education	$ 8,276,242	$ 262,958
93.435	The Innovative Cardiovascular Health Program	Health	$ 1,792,764	$ 674,416
93.436	Well-Integrated Screening and Evaluation for Women Across the Nation (WISEWOMAN)	Health	$ 945,771	$ 212,416
93.439	State Physical Activity and Nutrition (SPAN)	Health	$ 681,130	$ 147,524
93.464	ACL Assistive Technology	Administration	$ 642,681	$ -
93.464	COVID-19-ACL Assistive Technology	Administration	$ 62,000	$ -
	Program 93.464 Total:		**$ 704,681**	**$ -**
93.493	Congressional Directives	Health	$ 182,834	$ 182,834
93.493	Congressional Directives	MnSCU	$ 672,641	$ -
	Program 93.493 Total:		**$ 855,475**	**$ 182,834**
93.497	Family Violence Prevention and Services/ Sexual Assault/Rape Crisis Services and Supports	Public Safety	$ 673,363	$ 546,863
93.499	COVID-19-Low Income Household Water Assistance Program	Commerce	$ 1,172,611	$ 1,167,299
93.516	Public Health Training Centers Program	Health	$ 736,249	$ 499,724
93.516	*Pass-Through from the University of Michigan (SUBK00016910)*	Health	$ 20,110	$ -
	Program 93.516 Total:		**$ 756,359**	**$ 499,724**
93.525	COVID-19-State Planning and Establishment Grants for the Affordable Care Act (ACA)'s Exchanges	MNsure	$ 52,000	$ -

The notes (referenced in parentheses) are an integral part of these statements.

State of Minnesota
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024

ALN	Federal Program Name or *Pass-Through Entity (Identifying Number)*	State Agency	Total Federal Expenditures	Amounts Provided to Subrecipients
93.556	MaryLee Allen Promoting Safe and Stable Families Program	Human Services	$ 4,894,914	$ 3,101,250
93.556	MaryLee Allen Promoting Safe and Stable Families Program	Supreme Court	$ 74,087	$ -
	Program 93.556 Total:		**$ 4,969,001**	**$ 3,101,250**
93.558	Temporary Assistance for Needy Families	Human Services	$ 212,401,961	$ 97,046,247
93.563	Child Support Services	Human Services	$ 134,519,809	$ 104,480,865
93.564	Child Support Services Research	Human Services	$ 1,101,235	$ 99,091
93.566	Refugee and Entrant Assistance State/Replacement Designee Administered Programs	Human Services	$ 16,675,292	$ 9,360,090
93.568	Low-Income Home Energy Assistance	Commerce	$ 141,027,005	$ 136,925,695
93.569	Community Services Block Grant	Human Services	$ 9,867,284	$ 9,330,722
93.583	Refugee and Entrant Assistance Wilson/Fish Program	Human Services	$ 664,838	$ 631,941
93.586	State Court Improvement Program	Supreme Court	$ 546,774	$ -
93.590	Community-Based Child Abuse Prevention Grants	Human Services	$ 2,985,491	$ 2,336,579
93.590	COVID-19-Community-Based Child Abuse Prevention Grants	Human Services	$ 154,511	$ -
	Program 93.590 Total:		**$ 3,140,002**	**$ 2,336,579**
93.597	Grants to States for Access and Visitation Programs	Human Services	$ 101,971	$ 101,971
93.599	Chafee Education and Training Vouchers Program (ETV)	Human Services	$ 885,102	$ 738,487
93.603	Adoption and Legal Guardianship Incentive Payments Program	Human Services	$ 3,083,813	$ 2,997,833
93.630	Developmental Disabilities Basic Support and Advocacy Grants	Administration	$ 1,174,099	$ 542,941
93.630	COVID-19-Developmental Disabilities Basic Support and Advocacy Grants	Administration	$ 28,711	$ -
	Program 93.630 Total:		**$ 1,202,810**	**$ 542,941**
93.640	Basic Health Program (Affordable Care Act)	Human Services	$ 579,290,608	$ -
93.643	Children's Justice Grants to States	Human Services	$ 205,792	$ 132,196
93.645	Stephanie Tubbs Jones Child Welfare Services Program	Human Services	$ 3,939,221	$ 344,357
93.658	Foster Care Title IV-E	Human Services	$ 77,823,950	$ 64,689,285
93.658	Foster Care Title IV-E	MnSCU	$ 487,684	$ -
93.658	*Pass-Through from the University of Minnesota (GRK 129722)*	MnSCU	$ 69,253	$ -
93.658	*Pass-Through from the University of Minnesota (216785)*	MnSCU	$ 136,888	$ -
93.658	COVID-19-Foster Care Title IV-E	Human Services	$ 218,423	$ 218,423
	Program 93.658 Total:		**$ 78,736,198**	**$ 64,907,708**
93.659	Adoption Assistance	Human Services	$ 66,765,460	$ 418,333
93.659	COVID-19-Adoption Assistance	Human Services	$ 545,590	$ -
	Program 93.659 Total:		**$ 67,311,050**	**$ 418,333**
93.665	COVID-19-Emergency Grants to Address Mental and Substance Use Disorders During COVID-19	Human Services	$ 2,656	$ 2,656
93.667	Social Services Block Grant	Human Services	$ 32,539,905	$ 30,954,355
93.669	Child Abuse and Neglect State Grants	Human Services	$ 1,205,892	$ 605,050
93.669	COVID-19-Child Abuse and Neglect State Grants	Human Services	$ 995,734	$ 28,237
	Program 93.669 Total:		**$ 2,201,626**	**$ 633,287**
93.671	Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services	Public Safety	$ 2,170,664	$ 2,014,656
93.671	COVID-19-Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services	Public Safety	$ 3,878,435	$ 3,851,789
	Program 93.671 Total:		**$ 6,049,099**	**$ 5,866,445**
93.674	John H. Chafee Foster Care Program for Successful Transition to Adulthood	Human Services	$ 2,977,061	$ 2,680,169
93.732	Mental and Behavioral Health Education and Training Grants	MnSCU	$ 134,654	$ -
93.747	Elder Abuse Prevention Interventions Program	Human Services	$ 287,556	$ -
93.747	Elder Abuse Prevention Interventions Program	Supreme Court	$ 413,807	$ -
93.747	COVID-19-Elder Abuse Prevention Interventions Program	Human Services	$ 1,090,464	$ 585,698
	Program 93.747 Total:		**$ 1,791,827**	**$ 585,698**
93.767	Children's Health Insurance Program	Human Services	$ 89,433,612	$ 78,141
93.767	COVID-19-Children's Health Insurance Program	Human Services	$ 3,489,276	$ -
	Program 93.767 Total:		**$ 92,922,888**	**$ 78,141**
93.788	Opioid STR	Human Services	$ 12,326,021	$ 11,856,313
93.788	Opioid STR	MnSCU	$ 452,556	$ -
	Program 93.788 Total:		**$ 12,778,577**	**$ 11,856,313**
93.791	Money Follows the Person Rebalancing Demonstration	Human Services	$ 24,946,726	$ 2,362,141
93.800	Organized Approaches to Increase Colorectal Cancer Screening	Health	$ 955,654	$ 202,981

The notes (referenced in parentheses) are an integral part of these statements.

State of Minnesota
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024

ALN	Federal Program Name or *Pass-Through Entity (Identifying Number)*	State Agency	Total Federal Expenditures	Amounts Provided to Subrecipients
93.810	Paul Coverdell National Acute Stroke Program National Center for Chronic Disease Prevention and Health Promotion	Health	$ 730,265	$ 10,356
93.817	Hospital Preparedness Program (HPP) Ebola Preparedness and Response Activities	Health	$ 1,936,992	$ 1,936,992
93.823	Public Health Response, Forecasting, and Analytic Capacities Related to Disease Outbreaks, Epidemics, and Pandemics			
93.823	*Pass-Through from the University of Minnesota (P011215908)*	Health	$ 5,684	$ -
93.845	Promoting Population Health through Increased Capacity in Alcohol Epidemiology	Health	$ 183,064	$ -
93.859	R&D-Biomedical Research and Research Training	MnSCU	$ 5,621	$ -
93.859	*Pass-Through from the University of Minnesota (P009696101)*	MnSCU	$ 27,645	$ -
93.859	*Pass-Through from the University of Minnesota (T34GM137862)*	MnSCU	$ 62,543	$ -
93.859	*Pass-Through from the University of Minnesota (2K12GM119955-06)*	MnSCU	$ 33,700	$ -
	Program 93.859 Total:		**$ 129,509**	**$ -**
93.870	Maternal, Infant and Early Childhood Home Visiting Grant	Health	$ 9,092,499	$ 7,088,064
93.870	COVID-19-Maternal, Infant and Early Childhood Home Visiting Grant	Health	$ 1,209,509	$ 1,204,339
	Program 93.870 Total:		**$ 10,302,008**	**$ 8,292,403**
93.876	R&D-Antimicrobial Resistance Surveillance in Retail Food Specimens	Agriculture	$ 183,366	$ -
93.889	National Bioterrorism Hospital Preparedness Program	Health	$ 4,994,428	$ 3,778,510
93.889	COVID-19-National Bioterrorism Hospital Preparedness Program	Health	$ 129,434	$ 129,434
	Program 93.889 Total:		**$ 5,123,862**	**$ 3,907,944**
93.898	Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations	Health	$ 4,566,823	$ 75,703
93.913	Grants to States for Operation of State Offices of Rural Health	Health	$ 239,797	$ -
93.917	HIV Care Formula Grants	Human Services	$ 13,828,889	$ 2,852,739
93.940	HIV Prevention Activities Health Department Based	Health	$ 2,420,322	$ 466,769
93.945	Assistance Programs for Chronic Disease Prevention and Control	Health	$ 364,383	$ 7,963
93.946	Cooperative Agreements to Support State-Based Safe Motherhood and Infant Health Initiative Programs	Health	$ 548,374	$ 115,071
93.958	Block Grants for Community Mental Health Services	Human Services	$ 24,756,511	$ 22,171,864
93.959	Block Grants for Prevention and Treatment of Substance Abuse	Human Services	$ 43,214,500	$ 24,355,173
93.967	Centers for Disease Control and Prevention Collaboration with Academia to Strengthen Public Health	Health	$ 6,647,479	$ 1,496,914
93.977	Sexually Transmitted Diseases (STD) Prevention and Control Grants	Health	$ 4,131,212	$ 1,769,283
93.981	Improving Student Health and Academic Achievement through Nutrition, Physical Activity and the Management of Chronic Conditions in Schools	Education	$ 220,586	$ -
93.988	Cooperative Agreements for Diabetes Control Programs	Health	$ 505,888	$ 27,042
93.991	Preventive Health and Health Services Block Grant	Health	$ 4,492,436	$ 27,605
93.994	Maternal and Child Health Services Block Grant to the States	Health	$ 9,803,164	$ 6,591,798
	U.S. Department of Health and Human Services Total:		**$ 13,896,124,960**	**$ 1,098,939,299**
U.S. Corporation for National and Community Service				
94.006	AmeriCorps State and National 94.006			
94.006	*Pass-Through from the ServeMinnesota (21ACEMN0010002-22)*	Pollution Control Agency	$ 219,843	$ 2,500
94.006	*Pass-Through from the ServeMinnesota (21ACEMN0010002-23)*	Pollution Control Agency	$ 820,067	$ -
	Program 94.006 Total:		**$ 1,039,910**	**$ 2,500**
	U.S. Corporation for National and Community Service Total:		**$ 1,039,910**	**$ 2,500**
U.S. Social Security Administration				
Disability Insurance/SSI Cluster				
96.001	Social Security Disability Insurance	DEED	$ 35,922,768	$ -
	Disability Insurance/SSI Cluster Total:		**$ 35,922,768**	**$ -**
	U.S. Social Security Administration Total:		**$ 35,922,768**	**$ -**

The notes (referenced in parentheses) are an integral part of these statements.

State of Minnesota
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024

ALN	Federal Program Name or *Pass-Through Entity (Identifying Number)*	State Agency	Total Federal Expenditures	Amounts Provided to Subrecipients
U.S. Department of Homeland Security				
97.008	Non-Profit Security Program	Public Safety	$ 1,398,560	$ 1,398,560
97.012	Boating Safety Financial Assistance	Natural Resources	$ 4,394,146	$ 926,763
97.023	Community Assistance Program State Support Services Element (CAP-SSSE)	Natural Resources	$ 421,431	$ -
97.036	Disaster Grants - Public Assistance (Presidentially Declared Disasters) (10)	Public Safety	$ 20,882,195	$ 18,936,258
97.036	COVID-19-Disaster Grants - Public Assistance (Presidentially Declared Disasters) (10)	Public Safety	$ 101,388,611	$ 101,051,901
	Program 97.036 Total:		**$ 122,270,806**	**$ 119,988,159**
97.039	Hazard Mitigation Grant	Public Safety	$ 2,186,019	$ 1,988,955
97.039	COVID-19-Hazard Mitigation Grant	Public Safety	$ 1,392,335	$ 1,226,326
	Program 97.039 Total:		**$ 3,578,354**	**$ 3,215,281**
97.041	National Dam Safety Program	Natural Resources	$ 175,751	$ -
97.042	Emergency Management Performance Grants	Public Safety	$ 7,067,536	$ 4,066,899
97.043	State Fire Training Systems Grants	Public Safety	$ 30,000	$ -
97.045	Cooperating Technical Partners	Natural Resources	$ 544,931	$ -
97.047	BRIC: Building Resilient Infrastructure and Communities	Natural Resources	$ 18,084	$ 18,084
97.047	BRIC: Building Resilient Infrastructure and Communities	Public Safety	$ 277,458	$ -
	Program 97.047 Total:		**$ 295,542**	**$ 18,084**
97.067	Homeland Security Grant Program	Public Safety	$ 12,276,436	$ 7,480,496
97.091	Homeland Security Biowatch Program	Health	$ 1,216,820	$ -
97.132	Financial Assistance for Targeted Violence and Terrorism Prevention	Public Safety	$ 79,404	$ -
97.137	State and Local Cybersecurity Grant Program Tribal Cybersecurity Grant Program	Public Safety	$ 3,529,492	$ -
U.S. Department of Homeland Security Total:			**$ 157,279,209**	**$ 137,094,242**
Federal Programs Total:			**$ 20,112,102,453**	**$ 3,215,258,742**
Research and Development (R&D) Cluster Total:			**$ 19,119,978**	**$ 6,405**
Student Financial Assistance Cluster Total:			**$ 530,511,703**	**$ -**

The notes (referenced in parentheses) are an integral part of these statements.

Notes to the Schedule of Expenditures of Federal Awards

These notes provide disclosures relevant to the Schedule of Expenditures of Federal Awards presented on the preceding pages.

Note 1 – Summary of Significant Accounting Policies

Basis of Presentation

The reporting policies for fiscal year 2024 conform to the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) contained in 2 CFR Part 200, as applicable. The required Schedule of Expenditures of Federal Awards (SEFA) is presented for the state's fiscal year ended June 30, 2024.

The auditors use a risk-based approach as defined in the Uniform Guidance to determine which federal programs are audited. Programs expending $30.2 million or more in federal awards are Type A programs. Type B programs are programs expending less than $30.2 million in federal awards. If the auditor assesses Type A programs as other than low risk, the program is audited. If the auditor assesses Type A programs as low risk, the auditor may replace Type A programs with high-risk Type B programs. Type A programs must be audited at least once every three years.

For purposes of financial reporting, the Assistance Listing Numbers (ALN) are obtained from the sam.gov website. The schedule is presented in numeric ALN order within each federal agency, except for clusters of programs.

Federal guidelines define clusters as a grouping of closely related programs that share common compliance requirements. The types of clusters are research and development (R&D), student financial aid (SFA), and others as defined by the compliance supplement. Since the state receives R&D awards from several federal agencies, those awards are not grouped together in the Schedule of Expenditures of Federal Awards. Instead, the awards included in the R&D cluster are identified by the prefix "R&D" within the name of the federal program.

Federal guidelines require separate identification of expenditures of federal awards under the American Recovery and Reinvestment Act (ARRA) and for COVID-19 related awards on the Schedule of Expenditures of Federal Awards. ARRA has ended, but the residual funds continue to be used. The prefix "ARRA" was included in the name of the federal program to provide identification for ARRA. The prefix "COVID-19" was included in the name of the federal program to provide identification for COVID-19 related awards.

The state typically does not elect to use the 10% de minimis cost rate covered in 2 CFR 200.414.

Financial Reporting Entity of the State of Minnesota

The financial reporting entity for the state of Minnesota includes all state departments, agencies, institutions, and organizational units that are controlled by or dependent upon the Minnesota Legislature or its constitutional officers. The state, as a primary government, has considered for inclusion all potential component units for which it may be financially accountable or other organizations for which the nature and significance of their relationship with the state are such that

exclusion would cause the report to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be used in determining financial accountability. These criteria include the state's ability to appoint a voting majority of an organization's governing body and either the ability of the state to impose its will on that organization, or the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the state.

The federal programs included in the Schedule of Expenditures of Federal Awards in this report are part of the state's primary government. The federal programs administered by discretely presented component units are not presented in this report, but in single audit reports issued by these entities.

Minnesota State Colleges and Universities (MnSCU), which is part of the primary government, consists of the following educational institutions:

Alexandria Technical & Community College	Minnesota State University, Moorhead
Anoka Technical College	Minnesota West Community & Technical College
Anoka-Ramsey Community College	Normandale Community College
Bemidji State University	North Hennepin Community College
Central Lakes College	Northland Community & Technical College
Century College	Northwest Technical College
Dakota County Technical College	Pine Technical & Community College
Fond du Lac Tribal & Community College	Ridgewater College
Hennepin Technical College	Riverland Community College
Inver Hills Community College	Rochester Community & Technical College
Lake Superior College	Saint Paul College
Metropolitan State University	South Central College
Minneapolis College	Southwest Minnesota State University
Minnesota North College	St. Cloud State University
Minnesota State College – Southeast	St. Cloud Technical & Community College
Minnesota State Community & Technical College	Winona State University
Minnesota State University, Mankato	

Basis of Accounting

The state's Annual Comprehensive Financial Report and this supplemental schedule are presented in accordance with generally accepted accounting principles, following the accrual or modified accrual basis of accounting, as appropriate for the fund structure. Most federal activity is accounted for in the Federal Fund (a major governmental fund), but several other non-major special revenue funds (Trunk Highway, Municipal State-Aid Street, County State-Aid Highway, Natural Resources, Game and Fish, and Miscellaneous Special Revenue funds), major proprietary funds (Unemployment Insurance and State Colleges and Universities funds), the MNSure fund (a non-major proprietary fund), and the General Fund (a major governmental fund), include federal activity. The Statewide Integrated Financial Tools (SWIFT) system is the primary source of financial information. Some state agencies maintain additional manual records or separate cost accounting systems to provide additional information.

Classification of Statement Information

Expenditures are presented for all federal programs and include amounts sub-granted to other state or local governmental units, nongovernmental organizations, or individuals. Sub-grant expenditures are recognized by the primary state agency sub-granting the funds, not by the state agency receiving the sub-grant from the primary state agency, except for portions of Temporary Assistance for Needy Families (TANF) (ALN 93.558). TANF sub-grants, which are transferred into the Social Services Block

Grant (ALN 93.667) and the Child Care and Development Block Grant (ALN 93.575), are included in those programs and not TANF.

Note 2 – Perkins and Nursing Student Loan Programs

Below is a summary of the loan activity for the Perkins Loans (ALN 84.038) and Nursing Student Loans (NSL) (ALN 93.364) programs during fiscal year 2024. These programs are administered by MnSCU.

	Perkins Loans	Nursing Student Loans
Loans Receivable, Beginning (per SEFA)	$ 5,476,275	$ 8,958
Loan Repayments	(1,432,404)	(8,958)
Loan Cancellations	(1,031,505)	-
Loans Receivable, Ending	$ 3,012,366	$ -
Allowance for Doubtful Accounts	(30,818)	-
Total Loans Receivable	$ 2,981,548	$ -

Note 3 – Federal Direct Student Loans Program

MnSCU's financial records provide information on various federal higher education student loan programs for which the state does not manage the federal funds.

Under the Federal Direct Student Loans (FDSL) program (ALN 84.268), the federal government, rather than a private lender, provides the loan principal to the student. MnSCU distributed the following FDSL loans to students attending state colleges or universities during fiscal year 2024.

Federal Direct Student Loans Issued:	
Direct Federal Subsidized Stafford	$ 102,641,092
Direct Federal Unsubsidized Stafford	188,776,207
Direct Federal Parent Loans for Undergraduate Students	12,303,146
Direct Federal Graduate PLUS	4,148,131
Total Federal Direct Student Loans	$ 307,868,576

Note 4 – Rebates

The WIC Special Supplemental Nutrition Program for Women, Infants, and Children (ALN 10.557), administered through the Minnesota Department of Health, receives cash rebates from infant formula manufacturers. The rebates are used to offset program costs and are reported as expenditure reductions. During fiscal year 2024, the state of Minnesota recognized total rebates of approximately $25,463,043 on sales of formula to participants in the program. Rebate contracts with infant formula manufacturers are authorized by 7 CFR 246.16a(c) as a cost containment measure.

The Medical Assistance Program (ALN 93.778), administered through the Minnesota Department of Human Services, receives cash rebates from drug labelers on sales of drugs to participants in the Medical Assistance Program. The rebates are used to offset program costs and are reported as expenditure reductions. During fiscal year 2024, the state of Minnesota reduced expenditures by $518,669,000 for the federal share of the rebate.

Note 5 – Unemployment Insurance Program

For fiscal year 2024, expenditures for the Unemployment Insurance Program (ALN 17.225) include federal and state unemployment insurance expenditures as well as federal administrative expenditures.

As shown in the following table, some of these expenditures continue to be funded by American Recovery and Reinvestment Act (ARRA) funds:

	Non-ARRA Funds	ARRA Funds	COVID-19 Related Funds	Total
State UI Expenditures	$ 1,202,921,734	$ -	$ -	$ 1,202,921,734
Federal UI Expenditures	4,498,421	-	1,572,724	6,071,145
Federal Admin Expenditures	51,468,181	507,546	336,912	52,312,639
Total Expenditures	$ 1,258,888,336	$ 507,546	$ 1,909,636	$ 1,261,305,518

The Unemployment Insurance Program serves workers who are unemployed through no fault of their own and are seeking reemployment. To receive benefits, claimants must be able to work, available for work, and actively seeking work. For audits and reporting under the Uniform Guidance, the U.S. Department of Labor requires that both federal and state unemployment insurance funds be considered federal awards for determining federal programs subject to audit and for reporting expenditures of federal awards.

Note 6 – Clean Water State Revolving Fund Grants

Clean Water State Revolving Fund grants (ALN 66.458) are used by states to create revolving funds to provide financing for construction of wastewater treatment facilities and implementation of other water quality management activities. Loans are administered from these funds by the state departments of Employment and Economic Development, Agriculture, and Pollution Control. The state's loan programs are Tourism Septic Loan (TLP), Agriculture Best Management Practices (AG BMP), and Clean Water Partnership (CWP). A summary of the loan activity for fiscal year 2024 is shown below. All loan issues are made from receipts from loan repayments and no new federal funding has been provided. Therefore, no expenditures are shown on the face of the Schedule of Expenditures of Federal Awards.

	TLP	AG BMP	CWP
Loans Receivable, Beginning	$ 13,370	$ 51,096,623	$ 26,609,313
Loan Repayments	(3,836)	(11,138,631)	(3,821,868)
New Loans Issued	-	13,419,905	6,448,543
Loans Receivable, Ending	$ 9,534	$ 53,377,897	$ 29,235,988

Note 7 – Meat and Poultry Intermediary Lending Program

The Meat and Poultry Intermediary Lending Program (ALN 10.382) (MPILP) finances the start-up, expansion or operation, and processing of meat and poultry in the State of Minnesota. The Minnesota Department of Agriculture manages this program through the Rural Finance Authority (RFA), a discretely presented nonmajor component unit, who provides subject matter expertise and collects an administrative fee for providing their services. A summary of the loan activity for fiscal year 2024 is shown below.

	MPILP
Loans Receivable, Beginning	$ -
New Loans Issued	830,000
Loan Repayments	(12,334)
Loans Receivable, Ending	$ 817,666

Note 8 – Airport Improvement Program

As defined by the Federal Aviation Administration (FAA) Order 5100.38, Minnesota is a channeling act state for the Airport Improvement Program (ALN 20.106). As a channeling act state and in accordance with Minnesota Statutes 360.0161, Minnesota Department of Transportation (MnDOT) acts as an agent for airports/airport sponsors (i.e., cities, counties, and airport authorities). The majority of the grant agreements are established between FAA and the airports/airport sponsors, and the airport sponsor is the recipient of the grant. MnDOT's main responsibilities are to pay requests for reimbursement, approved by the FAA, to the respective airport/airport sponsor and request reimbursement from the federal government. The total reimbursements processed in fiscal year 2024 for channeling grants is $108,731,299. These monies are not reflected in the Schedule of Expenditures of Federal Awards. The amount of $15,516 reported on the Schedule of Expenditures of Federal Awards under ALN 20.106 was received through grant agreements between the FAA and the MnDOT, where the state is the grant recipient and the funding was utilized to fund state airport projects.

Note 9 – Assistance Listing Numbers (ALN)

For certain programs, the correct ALN could not be determined. At times, state agencies receive federal grant funds from a federal agency with a program number instead of an ALN. When possible, an ALN was obtained for the program. Certain ALNs reported are for programs no longer in operation. These programs had funds carried over from previous years. In other cases, an inexact number was assigned, and the state agency was asked to work with the federal granting agency to obtain a valid ALN for the grant program.

Note 10 – Additional Disclosures

Disaster Grants

In fiscal year 2024, the Federal Emergency Management Agency (FEMA) approved $243,636 of eligible expenditures in Disaster Grants (ALNs 97.036 and 97.036 COVID-19) related to prior year disaster expenditures but are included in the fiscal year 2024 Schedule of Expenditures of Federal Awards.

Personal Protective Equipment (PPE) (Unaudited)

During the COVID-19 pandemic, the State of Minnesota was provided personal protective equipment (PPE) for use from federal sources without any federal compliance or reporting requirements or assistance listing numbers. The PPE is currently being held by the Minnesota Department of Health with an estimated fair value of $1,901,411 and is not included in the fiscal year 2024 Schedule of Expenditures of Federal Awards.

State of Minnesota

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2024

Section I – Summary of Auditor's Results

Financial Statements

Type of auditor's report issued by the State of Minnesota Office of the Legislative Auditor on whether the financial statements audited were prepared in accordance with generally accepted accounting principles: **Unmodified**

Internal control over financial reporting issued by the State of Minnesota Office of the Legislative Auditor on the basic financial statements:

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

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

Type of auditor's report issued by the Minnesota Office of the State Auditor on whether the Schedule of Expenditures of Federal Awards audited was prepared in accordance with generally accepted accounting principles: **Unmodified**

Internal control over financial reporting issued by the Minnesota Office of the State Auditor on the Schedule of Expenditures of Federal Awards:

- Material weaknesses identified? **No**
- Significant deficiencies identified? **None reported**

Noncompliance material to the Schedule of Expenditures of Federal Awards noted? **No**

Federal Awards

Internal control over major federal programs:

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

Type of auditor's report issued on compliance for major federal programs: **Unmodified, except for Aging Cluster, Temporary Assistance for Needy Families, CCDF Cluster, Foster Care Title IV-E, Adoption Assistance, Children's Health Insurance Program, and Medicaid Cluster, which are qualified.**

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

Dollar threshold used to distinguish between Type A and Type B programs: **$30,168,154**

State of Minnesota qualified as a low-risk auditee? **No**

Identification of the major federal programs:

Assistance Listing Number	Name of Federal Program or Cluster
10.542	COVID-19 – Pandemic EBT Food Benefits
14.228	Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii COVID-19 – Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii
17.225	Unemployment Insurance ARRA – Unemployment Insurance COVID-19 – Unemployment Insurance
20.205	Highway Planning and Construction
20.509	Formula Grants for Rural Areas and Tribal Transit Program COVID-19 – Formula Grants for Rural Areas and Tribal Transit Program
84.007 84.033 84.038 84.063 84.268 84.379 84.408 93.364	Student Financial Assistance Cluster
84.027 84.173	Special Education (IDEA) Cluster
93.044 93.045 93.053	Aging Cluster
93.323	Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) COVID-19 – Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)
93.558	Temporary Assistance for Needy Families
93.563	Child Support Services
93.575 93.596	CCDF Cluster
93.658	Foster Care Title IV-E COVID-19 – Foster Care Title IV-E

Assistance Listing Number	Name of Federal Program or Cluster
93.659	Adoption Assistance COVID-19 – Adoption Assistance
93.767	Children's Health Insurance Program COVID-19 – Children's Health Insurance Program
93.775 93.777 93.778	Medicaid Cluster
93.959	Block Grants for Prevention and Treatment of Substance Abuse
97.036	Disaster Grants – Public Assistance (Presidentially Declared Disasters) COVID-19 – Disaster Grants – Public Assistance (Presidentially Declared Disasters)

State of Minnesota

Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2024

Index of Findings

Finding Number	State Agency	Page
2024-001	Health	47
2024-002	Health	49
2024-003	Health	50
2024-004	Health	51
2024-005	Human Services	52
2024-006	Human Services	54
2024-007	Human Services	57
2024-008	Human Services	59
2024-009	Human Services	61
2024-010	Human Services	62
2024-011	Human Services	64
2024-012	Human Services	66
2024-013	Human Services	68
2024-014	Human Services	69
2024-015	Human Services	71
2024-016	Human Services	73
2024-017	Human Services	74
2024-018	Human Services	76
2024-019	Human Services	78
2024-020	Human Services	80
2024-021	Human Services	82
2024-022	Human Services	84
2024-023	Human Services	86

State of Minnesota

Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2024

Index of Findings (Continued)

Finding Number	State Agency	Page
2024-024	Public Safety	87
2024-025	Public Safety	89
2024-026	Transportation	91
2024-027 (CLA 2024-001)*	Minnesota State Colleges and Universities	92
2024-028 (CLA 2024-002)*	Minnesota State Colleges and Universities	93
2024-029 (CLA 2024-003)*	Minnesota State Colleges and Universities	94

*Acronym CLA references audit findings written by private audit firm, CliftonLarsonAllen LLP, during the audit of major programs occurring at Minnesota State Colleges and Universities.

Section II – Financial Statement Findings

Internal control over financial reporting deficiencies reported by the State of Minnesota Office of the Legislative Auditor on the State of Minnesota's basic financial statements can be found at: https://www.auditor.leg.state.mn.us/fad/2024/2024-ICCFRFY.pdf.

Section III – Federal Award Findings and Questioned Costs

2024-001 **Equipment and Real Property Management**
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: 93.323 Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)
93.323 COVID-19 – Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)
Award Number and Year: NU50CK000508, 2019

State Agency: Minnesota Department of Health

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 2 U.S. *Code of Federal Regulations* § 200.313 (d)(1) states that property records must include a description of the property, a serial number or another identification number, the source of funding for the property (including the federal award identification number (FAIN)), the title holder, the acquisition date, the cost of the property, the percentage of the federal agency contribution towards the original purchase, the location, use and condition of the property, and any disposition data including the date of disposal and sale price of the property. The recipient and subrecipient are responsible for maintaining and updating property records when there is a change in the status of the property.

Condition: The Minnesota Department of Health did not maintain a detailed listing of capital assets procured with federal Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) funds or assets purchased with federal funds that have been disposed.

Questioned Costs: None.

Context: The Minnesota Department of Health does maintain a Master Equipment Listing, but it does not include the source of funding, acquisition date, cost of the property, and disposition information.

Effect: The Minnesota Department of Health is not in compliance with Title 2 U.S. *Code of Federal Regulations* § 200.313 (d)(1).

Cause: The Minnesota Department of Health was unaware of the need to maintain a detailed capital asset listing.

Recommendation: We recommend the Minnesota Department of Health maintain a detailed capital asset listing of items procured under federal awards. This listing should include a serial number or another identification number, the source of funding for the property (including the FAIN), the title holder, the acquisition date, the cost of the property, the percentage of the federal agency contribution towards the original purchase, the location,

use and condition of the property, and any disposition data including the date of disposal and sale price of the property.

View of Responsible Official: Concur

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
Program: 93.323 Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)
93.323 COVID-19 – Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)
Award Number and Year: NU50CK000508, 2019

State Agency: Minnesota Department of Health

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) check SAM.gov exclusions, (2) collect a certification, or (3) add a clause or condition to the covered transaction.

Condition: For two of the 25 covered transactions tested, the Minnesota Department of Health did not retain documentation to support that the vendor was not debarred, suspended, or otherwise excluded prior to entering into the covered transaction.

Questioned Costs: None.

Context: The Minnesota Department of Health includes suspension and debarment procedures as part of their contracting process.

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 may result in the Minnesota Department of Health entering into a covered transaction with a vendor that is not authorized to provide goods and services under the grant.

Cause: The two transactions tested were initiated through a purchase order process and not through the Minnesota Department of Health's contracting process.

Recommendation: We recommend the Minnesota Department of Health retain documentation to demonstrate that vendors are not debarred, suspended, or otherwise excluded prior to entering into a covered transaction.

View of Responsible Official: Concur

2024-003 **Reporting – Annual Federal Financial Report**
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: 93.323 Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)
93.323 COVID-19 – Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)
Award Number and Year: NU50CK000508, 2019

State Agency: Minnesota Department of Health

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.

The Centers for Disease Control and Prevention (CDC) General Terms and Conditions for Non-Research Grants and Cooperative Agreements requires Annual Federal Financial Reports (FFR SF-425) be submitted no later than 90 days after the end of the budget period in the Payment Management System.

Condition: Three of the six Annual Federal Financial Reports tested were submitted more than 90 days after the end of the budget period.

Questioned Costs: None.

Context: The budget period ended July 31, 2023. The Annual Federal Financial Reports were due October 29, 2023.

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

Effect: The Minnesota Department of Health is not in compliance with federal reporting requirements.

Cause: The Minnesota Department of Health indicated staffing changes in their finance department led to the delay in the submission of the Annual Federal Financial Reports.

Recommendation: We recommend the Minnesota Department of Health implement procedures to ensure the Annual Federal Financial Reports are submitted by the due date in accordance with the grant requirements.

View of Responsible Official: Concur

2024-004 **Reporting – Federal Funding Accountability and Transparency Act (FFATA)**
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: 93.323 Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)
93.323 COVID-19 – Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)
Award Number and Year: NU50CK000508, 2019

State Agency: Minnesota Department of Health

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.

Under the requirements of the Federal Funding Accountability and Transparency Act (Pub. L. No. 109-282), as amended by Section 6202 of Public Law 110-252, that are codified in Title 2 U.S. *Code of Federal Regulations*, Part 170, recipients (i.e., direct recipients) of grants or cooperative agreements are required to report first-tier subawards of $30,000 or more to the Federal Funding Accountability and Transparency Act Subaward Reporting System (FSRS). Title 2 U.S. *Code of Federal Regulations*, Appendix A to Part 170(a)(2)(ii), requires reporting an obligation, once made, by the end of the subsequent month.

Condition: The Minnesota Department of Health has not submitted required FFATA reports.

Questioned Costs: None.

Context: The issue was noted during the audit of Epidemiology and Laboratory Capacity for Infectious Diseases (ELC); however, it impacts federal programs agency-wide.

Effect: The Minnesota Department of Health is not in compliance with FFATA reporting requirements.

Cause: The Minnesota Department of Health informed us they have reviewed the FFATA requirements, developed a reporting process, and that an additional employee will need to be hired to implement the plan.

Recommendation: We recommend the Minnesota Department of Health implement procedures to complete reports required by FFATA. In addition, we recommend the Minnesota Department of Health work with the federal government on how best to correct reporting.

View of Responsible Official: Concur

2024-005 **Allowable Costs/Cost Principles – Public Assistance Cost Allocation Plan Amendments**
Prior Year Finding Number: 2023-015
Year of Finding Origination: 2022
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: 93.563 Child Support Services
93.658 Foster Care Title IV-E
93.659 Adoption Assistance
93.659 COVID-19 – Adoption Assistance
93.767 Children's Health Insurance Program
93.767 COVID-19 – Children's Health Insurance Program
93.778 Medical Assistance Program
Award Number and Year:

Assistance Listing Number	Award Number	Year
93.563	2301MNCSES	2023
93.563	2401MNCSES	2024
93.658	2301MNFOST	2023
93.658	2401MNFOST	2024
93.659/93.659 COVID-19	2401MNADPT	2024
93.767	2305MN3002	2023
93.767	2405MN5021	2024
93.778	2405MN5ADM	2024

State 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 45 U.S. *Code of Federal Regulations* § 95.519 states that if costs under a public assistance program are not claimed in accordance with the approved cost allocation plan (except as otherwise provided in § 95.517), or if the state failed to submit an amended cost allocation plan as required by § 95.509, the improperly claimed costs will be disallowed.

Condition: Two cost centers included in the Central Office Cost Allocation System (COCAS) were not listed in the Public Assistance Cost Allocation Plan (PACAP) amendments, resulting in the State of Minnesota being reimbursed for costs from a cost center not included in the PACAP.

Questioned Costs: $729,385 related to Foster Care Title IV-E
$265 related to Children's Health Insurance Program
$109,217 related to Medical Assistance Program

The State of Minnesota maintains the COCAS, which is used to allocate the Minnesota Department of Human Services' central services costs in accordance with the PACAP in effect during each quarter. During fiscal year 2024, $1,458,769 of expenditures were allocated to one cost center, which was removed from the PACAP and

replaced with another cost center. The federal reimbursement rate for these expenditures is 50 percent ($729,385) and is reimbursed under the Foster Care Title IV-E program.

Additionally, during the first quarter of fiscal year 2024, $218,828 of expenditures were allocated to a different cost center, which had been removed from the PACAP and was replaced with another cost center. This cost center allocated its costs to two federal programs, Children's Health Insurance Program ($394) and Medical Assistance Program ($218,434). The federal reimbursement rate for expenditures allocated to Children's Health Insurance Program is 67.3 percent ($265) while the reimbursement rate for expenditures allocated to Medical Assistance Program is 50 percent ($109,217).

Context: These issues were noted specific to Foster Care Title IV-E, Children's Health Insurance Program, and Medical Assistance Program; however, other federal programs could be impacted because the internal controls in place did not allow the Minnesota Department of Human Services' staff to prevent, or detect and correct, the error.

Effect: The Minnesota Department of Human Services is not in compliance with Title 45 U.S. *Code of Federal Regulations* § 95.519.

Cause: The Minnesota Department of Human Services believed the cost centers to be obsolete but failed to update the COCAS to reflect the changes made within the PACAP amendments submitted to the U.S. Department of Health and Human Services.

Recommendation: We recommend the Minnesota Department of Human Services implement procedures to ensure all cost centers in the COCAS are included in the PACAP amendment for each quarter.

View of Responsible Official: Concur

2024-006 **Reporting – Federal Funding Accountability and Transparency Act (FFATA)**

Prior Year Finding Number: 2023-016
Year of Finding Origination: 2021
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: 93.044 Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers
93.044 COVID-19 – Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers
93.045 Special Programs for the Aging, Title III, Part C, Nutrition Services
93.045 COVID-19 – Special Programs for the Aging, Title III, Part C, Nutrition Services
93.053 Nutrition Services Incentive Program
93.558 Temporary Assistance for Needy Families
93.575 Child Care and Development Block Grant
93.575 COVID-19 – Child Care and Development Block Grant
93.658 Foster Care Title IV-E
93.658 COVID-19 – Foster Care Title IV-E
93.767 Children's Health Insurance Program
93.778 Medical Assistance Program
93.959 Block Grants for Prevention and Treatment of Substance Abuse

Award Number and Year:

Assistance Listing Number	Award Number	Year
93.044	2001MNOASS	2020
93.044	2101MNOASS	2021
93.044 COVID-19	2101MNSSC6-04, 2101MNVAC5	2021
93.045 COVID-19	2101MNCMC6-06, 2101MNHDC6-06	2021
93.044 COVID-19	2201MNSTPH	2022
93.045	2201MNOACM, 2201MNOAHD	2022
93.053	2201MNOANS	2022
93.044	2301MNOASS	2023
93.045	2301MNOACM, 2301MNOAHD	2023
93.053	2301MNOANS-02	2023
93.044	2401MNOASS	2024
93.045	2401MNOACM-04, 2401MNOAHD-05	2024
93.053	2401MNOANS-03	2024
93.558	2201MNTANF	2022
93.558	2301MNTANF	2023
93.558	2401MNTANF	2024
93.575/93.575 COVID-19	2301MNCCDF	2023
93.575/93.575 COVID-19	2401MNCCDF	2024
93.658/93.658 COVID-19	2201MNFOST	2022
93.658/93.658 COVID-19	2301MNFOST	2023
93.658/93.658 COVID-19	2401MNFOST	2024

93.767	2205MN5021	2022
93.767	2305MN3002	2023
93.767	2405MN5021	2024
93.778	2205MN5ADM, 2205MN5MAP	2022
93.778	2305MN5ADM, 2305MN5MAP, 2305MNIMPL	2023
93.778	2405MN5ADM, 2405MN5MAP	2024
93.959	21B1MNSAPTC5, 21B1MNSAPTC6, 21B1MNSAPT	2021
93.959	23B1MNSAPT	2023

State 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.

Under the requirements of the Federal Funding Accountability and Transparency Act (Pub. L. No. 109-282), as amended by Section 6202 of Public Law 110-252, that are codified in Title 2 U.S. *Code of Federal Regulations*, Part 170, recipients (i.e., direct recipients) of grants or cooperative agreements are required to report first-tier subawards of $30,000 or more to the Federal Funding Accountability and Transparency Act Subaward Reporting System (FSRS). Title 2 U.S. *Code of Federal Regulations*, Appendix A to Part 170(a)(2)(ii), requires reporting an obligation, once made, by the end of the subsequent month.

Condition: In the sample selected for FFATA testing, four subawards were not submitted in the FSRS by the due date, while 23 subawards were not reported in the FSRS. Additionally, not all subaward information was submitted between April 2020 and April 2024.

Transactions Tested	Subaward Not Reported	Report Not Timely
27	23	4
Dollar Amount of Tested Transactions	**Subaward Not Reported**	**Report Not Timely**
$ 397,678	$ Unknown	$ 397,678

Questioned Costs: None.

Context: The issue was noted during the audit of Aging Cluster, Temporary Assistance for Needy Families, CCDF Cluster, Foster Care Title IV-E, Children's Health Insurance Program, Medical Assistance Program, and Block Grants for Prevention and Treatment of Substance Abuse; however, it impacts federal programs agency-wide.

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

Effect: The Minnesota Department of Human Services is not in compliance with FFATA reporting requirements.

Cause: The Minnesota Department of Human Services informed us that their FFATA reporting process is still evolving as they continue to resolve issues with collecting subrecipient's federal award identification numbers

(FAIN) and unique entity identification (UEI) numbers. This will eliminate errors received in the FSRS resulting from incomplete submissions.

Recommendation: We recommend the Minnesota Department of Human Services implement procedures to complete reports required by FFATA. In addition, we recommend the Minnesota Department of Human Services work with the federal government on how best to correct reporting.

View of Responsible Official: Concur

2024-007 **Reporting – Title IV-E Programs Quarterly Financial Report (Form CB-496)**
Prior Year Finding Number: 2023-017
Year of Finding Origination: 2023
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
Programs: 93.658 Foster Care Title IV-E
93.658 COVID-19 – Foster Care Title IV-E
93.659 Adoption Assistance
93.659 COVID-19 – Adoption Assistance
Award Number and Year:

Assistance Listing Number	Award Number	Year
93.658/93.658 COVID-19	2301MNFOST	2023
93.658/93.658 COVID-19	2401MNFOST	2024
93.659/93.659 COVID-19	2201MNADPT	2022
93.659/93.659 COVID-19	2301MNADPT	2023
93.659/93.659 COVID-19	2401MNADPT	2024

State 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 45 U.S. *Code of Federal Regulations* § 201.5(a)(3) requires quarterly reporting of grant expenditures. The Title IV-E Programs Quarterly Financial Report (Form CB-496) is required by the U.S. Department of Health and Human Services Administration for Children and Families (ACF).

Section 473(a)(8)(B) of the Social Security Act requires annual reporting of any calculated adoption savings and the expenditure of identified adoption savings. The Annual Adoption Savings Calculation and Accounting Report (Part 4 of Form CB-496) is required by the ACF.

Condition: The following was identified during review of Form CB-496 reports:

- Reported Foster Care in-placement administrative costs were overstated during the year with one central office cost allocation program included in error. During the year, the reported claim amounts were overstated by $1,794,827, with a federal share of $897,415;
- Reported Adoption Assistance training costs were understated in three quarters with a portion of eligible training costs omitted. For the year, the reported claim amounts were understated by $478,198, with a federal share of $358,649;
- A reported prior quarter adjustment for Adoption Assistance was unsupported. The prior quarter adjustment was for the quarter ending September 30, 2022, with a claim amount of $321,245 and a federal share of $182,178;

- The methodology used to allocate portions of Title IV-E-related county agency administrative costs between Foster Care and Adoption Assistance on the Form CB-496 reports did not result in an equitable distribution reflective of the individual program activities. For the year, the reported amount for these costs across both programs was $65,465,345, with $54,274,406 allocated to Foster Care and $11,190,939 allocated to Adoption Assistance. The reported federal share of these costs totaled $33,112,517, with $27,351,694 allocated to Foster Care and $5,760,823 allocated to Adoption Assistance; and

- The Minnesota Department of Human Services did not submit the June 30, 2024, Form CB-496 by the due date of July 30, 2024.

The following was identified during review of Part 4 of Form CB-496 report:

- Some expenditures were reported based on the state fiscal year ending June 30 rather than the federal fiscal year ending September 30. As a result, reported expenditures were overstated by $2,564,879, including an overstatement of $571,992 in current year expenditures and an overstatement of $1,992,887 in reported prior year expenditures.

Questioned Costs: $897,415 related to Foster Care Title IV-E
$182,178 related to Adoption Assistance

The known questioned costs represent the federal share of the costs overstated on Form CB-496 reports.

Context: The information reported on Form CB-496 reports is used by the ACF to award funds, determine the allowability of reported expenditures, and to provide reports to the United States Congress. Accurate and timely reporting is necessary to ensure that the resulting grant funds received by the state allow for proper oversight.

Regarding the allocation of county administrative costs between Foster Care and Adoption Assistance, the federal share for these costs under both programs is equal; the allocation would not have an effect on total federal funding.

Effect: The Minnesota Department of Human Services is not in compliance with reporting requirements. Misstatements in the submission of federal program costs on Form CB-496 reports can impair program oversight and can result in the grantee receiving either more or less federal funding than allowed based on the actual underlying activity.

Cause: The Minnesota Department of Human Services' controls over preparation of Form CB-496 reports were not sufficient to identify the misstatements, provide sufficient support for all claims and allocations, and ensure timely submission of all reports.

Recommendation: We recommend the Minnesota Department of Human Services submit the necessary prior quarter adjustments or amendments for the identified misstatements; continue to develop review procedures to ensure that submitted Form CB-496 reports are timely, accurate, and complete; and review and correct the allocation of reported county agency administrative costs between Title IV-E programs.

View of Responsible Official: Concur

2024-008 **Subrecipient Monitoring – Risk Assessment and Monitoring Procedures**

Prior Year Finding Number: 2023-018
Year of Finding Origination: 2021
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: 93.044 Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers
93.044 COVID-19 – Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers
93.045 Special Programs for the Aging, Title III, Part C, Nutrition Services
93.045 COVID-19 – Special Programs for the Aging, Title III, Part C, Nutrition Services
93.053 Nutrition Services Incentive Program
93.558 Temporary Assistance for Needy Families
93.563 Child Support Services
93.575 Child Care and Development Block Grant
93.575 COVID-19 – Child Care and Development Block Grant
93.959 Block Grants for Prevention and Treatment of Substance Abuse
Award Number and Year:

Assistance Listing Number	Award Number	Year
93.044	2001MNOASS	2020
93.044	2101MNOASS	2021
93.044 COVID-19	2101MNSSC6-04, 2101MNVAC5	2021
93.045 COVID-19	2101MNCMC6-06, 2101MNHDC6-06	2021
93.044 COVID-19	2201MNSTPH	2022
93.045	2201MNOACM, 2201MNOAHD	2022
93.053	2201MNOANS	2022
93.044	2301MNOASS	2023
93.045	2301MNOACM, 2301MNOAHD	2023
93.053	2301MNOANS-02	2023
93.044	2401MNOASS	2024
93.045	2401MNOACM-04, 2401MNOAHD-05	2024
93.053	2401MNOANS-03	2024
93.558	2201MNTANF	2022
93.558	2301MNTANF	2023
93.558	2401MNTANF	2024
93.563	2301MNCSES	2023
93.563	2401MNSCSS, 2401MOSCSS	2024
93.575/93.575 COVID-19	2301MNCCDF	2023
93.575/93.575 COVID-19	2401MNCCDF	2024
93.959	21B1MNSAPTC5, 21B1MNSAPTC6, 21B1MNSAPT	2021
93.959	23B1MNSAPT	2023

State 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 2 U.S. *Code of Federal Regulations* § 200.332 includes requirements such as evaluating the subrecipient's risk of noncompliance with federal statutes, regulations, and the terms and conditions of the award; monitoring the activities of the subrecipient; and verifying the subrecipient is audited, if required.

Condition: The following exceptions were noted in the sample tested for subrecipient monitoring:

- The Minnesota Department of Human Services does not perform formal risk assessments on all subrecipients or document the response to risk assessments for Aging Cluster, Temporary Assistance for Needy Families (TANF), Child Support Services, Child Care and Development Block Grant, and Block Grants for Prevention and Treatment of Substance Abuse; and
- The Minnesota Department of Health did not review five single audit reports of TANF subrecipients who submitted their single audit to the Federal Audit Clearinghouse after the single audit deadline.

Questioned Costs: None.

Context: The Minnesota Department of Human Services provides funding to counties that have statutory responsibilities to administer federal programs. Funds were awarded to the Minnesota Department of Human Services, which allocated a portion of the funds to the Minnesota Department of Health to be expended.

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

Effect: The Minnesota Department of Human Services is not meeting federal regulations pertaining to subrecipient monitoring. Also, the Minnesota Department of Human Services cannot be assured that its subrecipients are administering federal awards in compliance with all applicable federal requirements.

Cause: The Minnesota Department of Human Services informed us they consider that risk assessments and limited monitoring procedures are performed over counties, human service entities, organizations, and tribes because they interact with these entities numerous times throughout the year. The Minnesota Department of Health informed us they took a risk-based approach and determined not to review the reports of subrecipients that were provided less than $750,000 from Minnesota state agencies.

Recommendation: We recommend the Minnesota Department of Human Services and the Minnesota Department of Health implement and document risk assessments and further monitoring procedures over subrecipients.

View of Responsible Official: Concur

2024-009 **Reporting – Issuance Reconciliation Report (FNS-46)**
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 Agriculture
Program: 10.542 COVID-19 – Pandemic EBT Food Benefits
Award Number and Year: H5599PEBTC1, 2023

State 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.

As described in the Agency Information Collection Activities: Pandemic EBT (OMB #0584-0660), each state is expected to separately identify Pandemic EBT participation and benefit issuance on the Issuance Reconciliation Report (FNS-46).

Title 7 U.S. *Code of Federal Regulations* § 274.4 (c)(1)(ii) states the report shall be received by the U.S. Department of Agriculture Food and Nutrition Service (FNS) no later than 90 days following the end of the report month.

Condition: The following exceptions were noted in the three reports tested:

- On one report, Pandemic EBT Food Benefits were reported as regular ongoing issuance rather than other issuance; and
- Two reports were submitted after the 90-day deadline.

Questioned Costs: None.

Context: The FNS-46 is a combined financial report for both Supplemental Nutrition Assistance (SNAP) Cluster and COVID-19 – Pandemic EBT Food Benefits. The COVID-19 – Pandemic EBT Food Benefits grant ended September 30, 2023.

Effect: The Minnesota Department of Human Services is not in compliance with reporting requirements.

Cause: The Minnesota Department of Human Services' controls over preparation of the FNS-46 reports were not sufficient to identify the misstatement and ensure timely submission of all reports.

Recommendation: We recommend the Minnesota Department of Human Services implement additional procedures to ensure compliance with reporting requirements.

View of Responsible Official: Concur

2024-010 **Matching – Administration Expenditures**
Prior Year Finding Number: N/A
Year of Finding Origination: 2024
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
Programs: 93.044 Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers
93.044 COVID-19 – Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers
93.045 Special Programs for the Aging, Title III, Part C, Nutrition Services
93.045 COVID-19 – Special Programs for the Aging, Title III, Part C, Nutrition Services
Award Number and Year:

Assistance Listing Number	Award Number	Year
93.044	2001MNOASS	2020
93.044	2001MNOASS	2021
93.044 COVID-19	2101MNSSC6-04, 2101MNVAC5	2021
93.045 COVID-19	2101MNCMC6-06, 2101MNHDC6-06	2021
93.044 COVID-19	2201MNSTPH	2022
93.045	2201MNOACM, 2201MNOAHD	2022
93.044	2301MNOASS	2023
93.045	2301MNOACM, 2301MNOAHD	2023

State 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 45 U.S. *Code of Federal Regulations* § 1321.47 [*see now* § 1321.9(c)(2)(ii)(J)(1)], states that the statewide non-federal share for state or area plan administration shall not be less than 25 percent of the funds used under this part.

Condition: In the sample of two payments tested, the Minnesota Department of Human Services' matching requirement tracking file calculated the match at five percent State funds rather than the required match of 25 percent State funds.

Questioned Costs: None.

Context: The State matching requirements are applicable to the Minnesota Department of Human Services for administration. Area agency matching is required for both administration and direct services.

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

Effect: The Minnesota Department of Human Services is not in compliance with matching requirements for area agency administration expenditures.

Cause: The Minnesota Department of Human Services informed us that this resulted from staff turnover; tracking files with incorrect formulas; lack of documentation of how matching, maintenance of effort, and the grant allocation should be compared by grant award year; and a spreadsheet that has not been updated.

Recommendation: We recommend the Minnesota Department of Human Services develop procedures to ensure that the matching requirements are met and are based on accurate amounts for each award.

View of Responsible Official: Concur

2024-011 **Earmarking – Administration Expenditures**
Prior Year Finding Number: N/A
Year of Finding Origination: 2024
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
Programs: 93.044 Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers
93.044 COVID-19 – Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers
93.045 Special Programs for the Aging, Title III, Part C, Nutrition Services
93.045 COVID-19 – Special Programs for the Aging, Title III, Part C, Nutrition Services
93.053 Nutrition Services Incentive Program
Award Number and Year:

Assistance Listing Number	Award Number	Year
93.044	2001MNOASS	2020
93.044	2101MNOASS	2021
93.044 COVID-19	2101MNSSC6-04, 2101MNVAC5	2021
93.045 COVID-19	2101MNCMC6-06, 2101MNHDC6-06	2021
93.044 COVID-19	2201MNSTPH	2022
93.045	2201MNOACM, 2201MNOAHD	2022
93.053	2201MNOANS	2022
93.044	2301MNOASS	2023
93.045	2301MNOACM, 2301MNOAHD	2023
93.053	2301MNOANS-02	2023

State 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 § 3024(d)(1)(A) states that for any fiscal year after the application of § 3028(b) of this title, under this section for any fiscal year, the State's allotment for the costs of administration of area plans, including certain supportive and other services, cannot be more than ten percent.

Condition: The Minnesota Department of Human Services allocated administration expenditures to the Area Aging Agency Administration on a calendar year. Actual administration expenditures were reported by the Area Aging Agency Administration on a federal fiscal year. The Minnesota Department of Human Services did not complete a comparison of the actual administration expenditures to the allocation by award year to ensure the amount expended remained under the allocation.

Questioned Costs: None.

Context: The Minnesota Department of Human Services requirement to compare the allocation to actual expenditures by award year ensures compliance with earmarking requirements.

Effect: The Minnesota Department of Human Services is not in compliance with earmarking requirements for area agency administration expenditures.

Cause: The Minnesota Department of Human Services informed us that this resulted from staff turnover, tracking files with incorrect formulas, lack of documentation of how earmarking and the grant allocation should be compared by grant award year, and a spreadsheet that has not been updated.

Recommendation: We recommend the Minnesota Department of Human Services develop procedures to ensure there is sufficient data and review procedures for compliance with earmarking requirements.

View of Responsible Official: Concur

2024-012 **Reporting – Reports and Supplemental Form (SF-425)**
Prior Year Finding Number: N/A
Year of Finding Origination: 2024
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
Programs: 93.044 Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers
93.044 COVID-19 – Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers
93.045 Special Programs for the Aging, Title III, Part C, Nutrition Services
93.045 COVID-19 – Special Programs for the Aging, Title III, Part C, Nutrition Services
93.053 Nutrition Services Incentive Program
Award Number and Year:

Assistance Listing Number	Award Number	Year
93.044	2001MNOASS	2020
93.044	2101MNOASS	2021
93.044 COVID-19	2101MNSSC6-04, 2101MNVAC5	2021
93.045 COVID-19	2101MNCMC6-06, 2101MNHDC6-06	2021
93.044 COVID-19	2201MNSTPH	2022
93.045	2201MNOACM, 2201MNOAHD	2022
93.053	2201MNOANS	2022
93.044	2301MNOASS	2023
93.045	2301MNOACM, 2301MNOAHD	2023
93.053	2301MNOANS-02	2023

State 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.

The program requires SF-425 and Supplemental Form reports to be submitted. Title 2 *Code of Federal Regulations* § 200.302 requires the State's financial management systems to be sufficient to permit the preparation of reports required by general and program-specific terms and conditions; and the tracing of funds to a level of expenditures adequate to establish that such funds have been used according to the federal statutes, regulations, and the terms and conditions of the federal award.

Condition: The following exceptions were noted in a sample of six SF-425 and Supplemental Form reports tested:

- In five reports, the amount reported as recipient share of expenditures was either incorrectly reported as zero or accurate support was not available, and
- In two reports, the amount reported as the federal share of expenditures was incorrect.

Questioned Costs: None.

Context: The SF-425 and Supplemental Form reports are used to report the financial status of grant and cooperative agreement funds and cash transactions using those funds; these reports are submitted as semi-annual, annual, and final reports for each Title III Older Americans Act award open during the applicable reporting period, including the awards of the Aging Cluster.

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

Effect: The Minnesota Department of Human Services is not in compliance with SF-425 and Supplemental Form reporting requirements.

Cause: The Minnesota Department of Human Services informed us that this resulted from staff turnover and lack of documentation of reported amounts by grant award year.

Recommendation: We recommend the Minnesota Department of Human Services develop procedures to ensure that submitted SF-425 reports and Supplemental Forms are accurate and complete. In addition, we recommend the Minnesota Department of Human Services work with the federal government on how best to correct reporting.

View of Responsible Official: Concur

2024-013 **Reporting – Certification of Maintenance of Effort**

Prior Year Finding Number: N/A
Year of Finding Origination: 2024
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
Programs: 93.044 Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers
93.045 Special Programs for the Aging, Title III, Part C, Nutrition Services
93.053 Nutrition Services Incentive Program
Award Number and Year:

Assistance Listing Number	Award Number	Year
93.044	2201MNOASS	2022
93.045	2201MNOACM, 2201MNOAHD	2022
93.053	2201MNOANS	2022

State 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 45 U.S. *Code of Federal Regulations* § 1321.49 [*see now* § 1321.9(c)(2)(vi)], states that each fiscal year, the state agency, to meet the required non-federal share applicable to its allotment under this part, shall spend under the state plan for both services and administration at least the average amount of state funds it spent under the plan for the previous three fiscal years. This is reported on the OMB Certification of Maintenance of Effort OMB 0985-0009 Form.

Condition: The level of effort on the OMB Certification of Maintenance of Effort OMB 0985-0009 Form was understated by $994,743.

Questioned Costs: None.

Context: The OMB Certification of Maintenance of Effort OMB 0985-0009 Form is an annual form used to verify the State of Minnesota is meeting the minimum levels of support to the Aging Cluster programs.

Effect: The Minnesota Department of Human Services is not in compliance with 45 U.S. *Code of Federal Regulations* § 1321.49 for reporting requirements.

Cause: The Minnesota Department of Human Services informed us that this resulted from staff turnover, tracking files using incorrect formulas, and lack of documentation on the processes to calculate the required amounts for maintenance of effort.

Recommendation: We recommend the Minnesota Department of Human Services develop procedures to ensure the accuracy in the information reported on OMB Certification of Maintenance of Effort OMB 0985-0009 is in accordance with 45 U.S. *Code of Federal Regulations* § 1321.49. In addition, we recommend the Minnesota Department of Human Services work with the federal government on how best to correct reporting.

View of Responsible Official: Concur

2024-014 **Temporary Assistance for Needy Families Eligibility – MAXIS**
Prior Year Finding Number: 2023-021
Year of Finding Origination: 2014
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: 93.558 Temporary Assistance for Needy Families
Award Number and Year: 1901MNTANF, 2019; 2101MNTANF, 2021; 2201MNTANF, 2022; 2401MNTANF, 2024

State 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 written document that shall set forth the objective criteria 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. § 256J.10 [*see now* Minn. Stat. § 142G.10, subd. 1] establish the general eligibility requirements for TANF benefits.

Condition: The Minnesota Department of Human Services maintains the computer system, MAXIS, which is used by local counties to support the eligibility determination process. The sample of cases reviewed by the Minnesota Department of Human Services Internal Audit noted not all documentation was available, updated, or input correctly to support participant eligibility. The identified errors noted clients received benefits for incorrect amounts (over and under issuance of benefits) as well as benefits that should not have been paid due to case file information being incorrect, not updated, or not received to process eligibility for the benefit month.

Questioned Costs: The known questioned costs were $32,033 which represent the net overpayments for the cases tested for the benefit month reviewed by the Minnesota Department of Human Services Internal Audit but do not take into consideration the possible impact on additional benefit months.

Context: The Minnesota Department of Human Services Internal Audit performs case reviews over a sample of MAXIS cases annually to monitor compliance with grant requirements for eligibility. The Minnesota Department of Human Services Internal Audit reviewed a sample of 288 cases for TANF participant eligibility and noted errors or issues in 177 cases. The Minnesota Department of Human Services Internal Audit sent corrective action plans to counties. In turn, the counties were able to update case file information, which reduced the errors or issues to 146 cases.

Effect: The Minnesota Department of Human Services is not in compliance with its state plan for TANF and Minn. Stat. § 256J.10 [*see now* Minn. Stat. § 142G.10, subd. 1]. In addition, errors in eligibility-determining factors increase the risk that a program participant will receive benefits when they are not eligible or are paid at the incorrect benefit amount.

Cause: The Minnesota Department of Human Services informed us that errors occurred due to staff turnover at the county level, county staff confusing requirements between the multiple programs they work on, and the large amount of data input into MAXIS to determine eligibility.

Recommendation: We recommend the Minnesota Department of Human Services review MAXIS and implement more notification prompts for potential issues, such as outdated or expired information, and implement automated verifications as much as possible. In addition, we recommend the Minnesota Department of Human Services continue to work with counties to improve controls at the county level.

View of Responsible Official: Concur

2024-015 **Special Tests and Provisions – Child Support Non-Cooperation**
Prior Year Finding Number: 2023-022
Year of Finding Origination: 2015
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: 93.558 Temporary Assistance for Needy Families
Award Number and Year: 1901MNTANF, 2019; 2101MNTANF, 2021; 2201MNTANF, 2022; 2401MNTANF, 2024

State 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 45 U.S. *Code of Federal Regulations* § 264.30 states:

"What procedures exist to ensure cooperation with the child support enforcement requirements?

(a) (1) The State agency must refer all appropriate individuals in the family of a child, for whom paternity has not been established or for whom a child support order needs to be established, modified, or enforced, to the child support enforcement agency (i.e., the IV-D agency).

(2) Referred individuals must cooperate in establishing paternity and in establishing, modifying, or enforcing a support order with respect to the child.

(b) If the IV-D agency determines that an individual is not cooperating, and the individual does not qualify for a good cause or other exception established by the State agency responsible for making good cause determinations in accordance with section 454(29) of the Act or for a good cause domestic violence waiver granted in accordance with § 260.52 of this chapter, then the IV-D agency must notify the IV-A agency promptly.

(c) The IV-A agency must then take appropriate action by:

(1) Deducting from the assistance that would otherwise be provided to the family of the individual an amount equal to not less than 25 percent of the amount of such assistance; or

(2) Denying the family any assistance under the program."

Condition: The Minnesota Department of Human Services maintains the computer system, MAXIS, which is used by local counties to support the eligibility determination process. Part of eligibility is cooperating with child support requirements. Counties must reduce benefits when a case is in non-cooperation status per the child support agency. In a sample of 40 cases tested, 11 cases had identified errors related to improper reduction of benefits or improper timing of reduced benefits for cases in non-cooperation status.

Questioned Costs: Questioned costs identified were less than $25,000.

Context: Child support non-cooperation is determined at the county level, and the Providing Resources to Improve Support in Minnesota (PRISM) system maintains the information and recipient status. When the Child

Support Officer (CSO) at the county level updates PRISM to show non-cooperation, it interfaces with MAXIS. From this interface, MAXIS receives a Worker's Daily Report (DAIL) message which notifies counties of child support non-cooperation. Counties are responsible for updating the recipient's record in MAXIS, including entering child support sanctions or closing a case on the seventh occurrence of noncompliance. The Minnesota Department of Human Services is responsible for benefit payments.

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

Effect: The Minnesota Department of Human Services is not in compliance with Title 45 U.S. *Code of Federal Regulations* § 264.30. Benefit overpayments could be paid when child support non-cooperation is not properly processed for a benefit month.

Cause: The Minnesota Department of Human Services informed us that errors occur due to staff turnover at the county level, county staff working on multiple programs with different requirements, and the large amount of data input into MAXIS to determine eligibility.

Recommendation: We recommend the Minnesota Department of Human Services review its guidance for child support non-cooperation to ensure counties are properly reducing benefits in MAXIS.

View of Responsible Official: Concur

2024-016 **Special Tests and Provisions – Penalty for Refusal to Work – Zero Hour Case Findings**
Prior Year Finding Number: N/A
Year of Finding Origination: 2024
Type of Finding: Internal Control Over Compliance
Severity of Deficiency: Significant Deficiency

Federal Agency: U.S. Department of Health and Human Services
Program: 93.558 Temporary Assistance for Needy Families
Award Number and Year: 1901MNTANF, 2019; 2101MNTANF, 2021; 2201MNTANF, 2022; 2401MNTANF, 2024

State 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.

Condition: The Minnesota Department of Human Services did not complete case file reviews on cases with zero work hours reported for the period of July to December 2023.

Questioned Costs: None.

Context: The Minnesota Department of Human Services reviews case files with zero work hours reported to ensure either the participant is in noncompliance with their Employment Services Counselor and proper sanctions are in place, or there is a good cause that the participant is not working or reporting hours.

Effect: Untimely reviews increase the risk that sanctions are not properly imposed.

Cause: The Minnesota Department of Human Services informed us the reviews were not completed during this time because the department position was vacant.

Recommendation: We recommend the Minnesota Department of Human Services implement procedures to ensure case files with zero work hours reported are reviewed in a timely manner.

View of Responsible Official: Concur

2024-017 **Child Care and Development Fund Eligibility – MEC^2**
Prior Year Finding Number: 2023-023
Year of Finding Origination: 2018
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
Programs: 93.575 Child Care and Development Block Grant
93.575 COVID-19 – Child Care and Development Block Grant
93.596 Child Care Mandatory and Matching Funds of the Child Care and Development Fund
Award Number and Year: 2101MNCCDF, 2021; 2201MNCCDF, 2022; 2301MNCCDF, 2023; 2401MNCCDF, 2024

State 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 45 U.S. *Code of Federal Regulations* § 98.11 states that the lead agency shall ensure that all state and local or non-governmental agencies through which the State administers the program, including agencies and contractors that determine individual eligibility, operate according to the rules established for the program.

Condition: The Minnesota Department of Human Services maintains the computer system, MEC^2, which is used by local counties to support the eligibility determination process. The sample of the cases reviewed by the Minnesota Department of Human Services Internal Audit noted not all documentation was available, updated, or input correctly to support participant eligibility. The identified errors noted clients received incorrect benefit amounts as well as benefits that should not have been paid due to case file information being incorrect, not updated, or not received to process eligibility for the benefit month.

Questioned Costs: Questioned costs identified were less than $25,000.

Context: The Minnesota Department of Human Services Internal Audit performs case reviews over a sample of cases annually to monitor compliance with grant requirements for eligibility. The Minnesota Department of Human Services Internal Audit reviewed a sample of 276 MEC^2 cases for CCDF participant eligibility and noted errors or issues in 131 MEC^2 cases. The Minnesota Department of Human Services informed us that corrective action plans were sent to counties in all instances where errors were noted. For this process to be effective, the Minnesota Department of Human Services Internal Audit relies on local counties to implement procedures and controls over eligibility determinations.

Effect: The Minnesota Department of Human Services is not in compliance with Title 45 U.S. *Code of Federal Regulations* § 98.11. In addition, errors in eligibility-determining factors increase the risk that a program participant will receive benefits when they are not eligible or be paid at the incorrect benefit amount.

Cause: The Minnesota Department of Human Services informed us that errors occurred due to staff turnover at the county level, county staff confusing requirements between the multiple programs they work on, and the large amount of data input into MEC^2 to determine eligibility.

Recommendation: We recommend the Minnesota Department of Human Services review MEC^2 to develop system requirements which could include income calculations and authorized hours based on data entry. In addition, we recommend the Minnesota Department of Human Services implement more notification prompts for potential issues, such as incomplete applications and outdated or expired information, and implement automated verifications as much as possible. Furthermore, we recommend the Minnesota Department of Human Services continue to work with counties to improve controls at the county level.

View of Responsible Official: Concur

2024-018 **Foster Care Title IV-E Subrecipient Monitoring**
Prior Year Finding Number: 2023-026
Year of Finding Origination: 2022
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
Programs: 93.658 Foster Care Title IV-E
93.658 COVID-19 – Foster Care Title IV-E
Award Number and Year: 2301MNFOST, 2023; 2401MNFOST, 2024

State 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 2 U.S. *Code of Federal Regulations* § 200.332 includes requirements such as evaluating the subrecipient's risk of noncompliance with federal statutes, regulations, and the terms and conditions of the award; and monitoring of the activities of subrecipients as necessary to ensure that subawards are used for authorized purposes.

These requirements have been adopted by the U.S. Department of Health and Human Services and are established specifically for U.S. Department of Health and Human Services awards in Title 45 U.S. *Code of Federal Regulations* §§ 75.303 and 75.352.

Condition: In the sample of nine subrecipients tested, it was noted that the Minnesota Department of Human Services did not complete risk evaluations for each subrecipient of the Foster Care program or complete adequate monitoring of Foster Care program case files administered by county or tribal subrecipients for the audit period.

Questioned Costs: None.

Context: Completion of risk evaluations is an important component of subrecipient monitoring which should be performed for the purpose of determining appropriate monitoring procedures and to make informed judgments regarding their adequacy.

After suspending case file reviews during the coronavirus pandemic, the Minnesota Department of Human Services resumed case file reviews for county and tribal agency subrecipients in the fall of 2022. Reviews completed since have been for a limited number of agencies.

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

Effect: The Minnesota Department of Human Services is not in compliance with Title 2 U.S. *Code of Federal Regulations* § 200.332 and Title 45 U.S. *Code of Federal Regulations* §§ 75.303 and 75.352.

Cause: The Minnesota Department of Human Services informed us that a process has not been developed for completing documented risk evaluations for subrecipients. In addition, the Minnesota Department of Human Services indicated that case reviews were limited during the audit period with time being dedicated to developing

new systems and procedures for the review process and expanding the number of staff trained to perform reviews.

Recommendation: We recommend the Minnesota Department of Human Services complete documented risk evaluations and further monitoring procedures over subrecipients.

View of Responsible Official: Concur

2024-019 **Children's Health Insurance Program Eligibility – MAXIS**
Prior Year Finding Number: 2023-028
Year of Finding Origination: 2023
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
Programs: 93.767 Children's Health Insurance Program
93.767 COVID-19 – Children's Health Insurance Program
Award Number and Year: 2405MN5021, 2024; 2305MN3002, 2023; 2205MN5021, 2022

State 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 U.S. *Code of Federal Regulations* § 457.380 requires the state agency to determine and verify eligibility of enrollees for the Children's Health Insurance Program (CHIP). In addition, Title 42 U.S. *Code of Federal Regulations* §§ 435.917 and 457.340(d) and Minnesota Rule 9505.0090 require the state to make timely eligibility determinations.

Condition: The Minnesota Department of Human Services maintains the computer system, MAXIS, which is used by local agencies to support the eligibility determination process. The following exceptions were noted in a sample of 24 case files tested:

- Eligibility could not be determined for one case file because no application or documentation of verifications could be provided;
- One case file had documentation of income verification that had not been entered into MAXIS; and
- Three case files for pregnant women were not processed within the required 15 working days.

Questioned Costs: None.

Context: The State of Minnesota and local agencies split the eligibility determination process. The local agencies perform the "intake function" needed for this program, while the Minnesota Department of Human Services is responsible for review of the case files, including verifying the information in MAXIS is current and agrees with documentation on file. The Minnesota Department of Human Services is responsible for benefit payments.

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

Effect: The Minnesota Department of Human Services is not in compliance with Title 42 U.S. *Code of Federal Regulations* §§ 435 and 457 and Minnesota Rule 9505.0090. In addition, errors in eligibility-determining factors increase the risk that a program participant will receive benefits when they are not eligible or are paid at the incorrect benefit amount.

Cause: The Minnesota Department of Human Services informed us that errors occurred due to staff oversight at the agency level.

Recommendation: We recommend the Minnesota Department of Human Services review MAXIS and implement additional notification prompts for such things as missing, outdated, or expired information. In addition, we recommend the Minnesota Department of Human Services implement procedures to ensure applications are processed in a timely manner. Finally, we recommend the Minnesota Department of Human Services continue to work with local agencies to improve controls at the agency level.

View of Responsible Official: Concur

2024-020 **Children's Health Insurance Program Eligibility – METS**
Prior Year Finding Number: N/A
Year of Finding Origination: 2024
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
Programs: 93.767 Children's Health Insurance Program
93.767 COVID-19 – Children's Health Insurance Program
Award Number and Year: 2405MN5021, 2024; 2305MN3002, 2023; 2205MN5021, 2022

State 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 U.S. *Code of Federal Regulations* § 457.380 requires the state agency to determine and verify eligibility of enrollees for the Children's Health Insurance Program (CHIP).

Condition: The Minnesota Department of Human Services maintains the computer system, METS, which is used by local agencies to support the eligibility determination process. The following exceptions were noted in a sample of 60 case files tested:

- Three case files where the recipient's social security number or income was not verified;
- Two case files where income verifications were obtained but not updated in METS; and
- One case file where the recipient was no longer eligible for CHIP and should have been transferred to the Medical Assistance Program.

Questioned Costs: Questioned costs identified were less than $25,000.

Context: The State of Minnesota and local agencies split the eligibility determination process. The local agencies are responsible for resolving eligibility issues when prompted by the system, while the Minnesota Department of Human Services is responsible for review of the case files, including verifying the information in METS is current and agrees with documentation on file. The Minnesota Department of Human Services is also responsible for benefit payments.

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

Effect: The Minnesota Department of Human Services is not in compliance with Title 42 U.S. *Code of Federal Regulations* § 457. In addition, errors in eligibility-determining factors increase the risk that program participants will receive benefits when they are not eligible or are paid at the incorrect benefit amount.

Cause: The Minnesota Department of Human Services informed us that errors occurred due to staff oversight at the agency level.

Recommendation: We recommend the Minnesota Department of Human Services review METS and implement additional notification prompts for such things as missing, outdated, or expired information. In addition, we recommend the Minnesota Department of Human Services continue to work with local agencies to improve controls at the agency level.

View of Responsible Official: Concur

2024-021 **Medical Assistance Program Eligibility – METS**
Prior Year Finding Number: N/A
Year of Finding Origination: 2024
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
Programs: 93.778 Medical Assistance Program
93.778 COVID-19 – Medical Assistance Program
Award Number and Year: 2205MN5ADM, 2205MN5MAP, 2022;
2305MN5ADM, 2305MN5MAP, and 2305MNIMPL, 2023;
2405MN5MAP and 2405MN5ADM, 2024

State 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 U.S. *Code of Federal Regulations* §§ 435.911 and 435.945 require the state Medicaid agency to determine and verify eligibility of enrollees in Medicaid. In addition, Title 42 U.S. *Code of Federal Regulations* §§ 435.948(b), 435.949(b), 435.952, and 435.956 require the state Medicaid agency to obtain financial and non-financial information relating to eligibility, including information related to wages and household size, to the extent that the information is available through an electronic service or request for documentation.

Condition: The Minnesota Department of Human Services maintains the computer system, METS, which is used by local agencies to support the eligibility determination process. The following exceptions were noted in a sample of 60 case files tested:

- Three case files did not include verification of the recipient's income;
- One case file was automatically renewed by the system without social security verification; and
- One case file was automatically renewed by the system without a renewal application.

Questioned Costs: None.

Context: The State of Minnesota and local agencies split the eligibility determination process. The local agencies are responsible for resolving eligibility issues when prompted by the system, while the Minnesota Department of Human Services is responsible for review of the case files, including verifying the information in METS is current and agrees with documentation on file. The Minnesota Department of Human Services is also responsible for benefit payments.

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

Effect: The Minnesota Department of Human Services is not in compliance with Title 42 U.S. *Code of Federal Regulations* § 435. In addition, errors in eligibility-determining factors increase the risk that a program participant will receive benefits when they are not eligible or are paid at the incorrect benefit amount.

Cause: The Minnesota Department of Human Services informed us that errors occurred due to staff oversight at the agency level.

Recommendation: We recommend the Minnesota Department of Human Services review METS and implement additional notification prompts for such things as missing, outdated, or expired information. In addition, we recommend the Minnesota Department of Human Services continue to work with local agencies to improve controls at the agency level.

View of Responsible Official: Concur

2024-022 **Reporting – Medicaid Section 1115 Demonstration Project**
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: 93.778 Medical Assistance Program
93.778 COVID-19 – Medical Assistance Program
Award Number and Year: 2205MN5ADM, 2205MN5MAP, 2022;
2305MN5ADM, 2305MN5MAP, 2023;
2405MN5MAP and 2405MN5ADM, 2024

State 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.

Per the Social Security Act, Section 1905(a)(30)(B), Medicaid payments are not available for individuals who are patients in an institution for mental disease. Under Section 1115 of the Social Security Act, the Secretary of Health and Human Services may approve any demonstration project that is likely to assist in promoting the objectives of the Medicaid program.

The Centers for Medicare & Medicaid Services (CMS) Special Terms and Conditions require expenditures for services provided under the Medicaid Section 1115 demonstration project to be reported on a quarterly basis following routine CMS-64 reporting instructions as outlined in Section 2500 of the State Medicaid Manual.

Condition: The Minnesota Department of Human Services reported $112,086,688 in expenditures for seven tribal facilities considered institutions for mental disease in error related to its Medicaid Section 1115 demonstration project on its CMS-64 reports for the fiscal years ending 2015 through 2025. The amount of the error relating to the fiscal year ended June 30, 2024, was $18,074,279.

Questioned Costs: The known questioned costs were $18,074,279. The calculation was based on payments made for services provided to tribal providers for the fiscal year July 1, 2023, to June 30, 2024.

Context: The Minnesota Department of Human Services initially identified and calculated the reporting issue.

Effect: The Minnesota Department of Human Services received federal reimbursement for institutions for mental disease which is not allowable for Medicaid payments under the Social Security Act, Section 1905(a)(30)(B).

Cause: The seven tribal facilities were not coded as institutions for mental disease in the State's billing system.

Recommendation: We recommend the Minnesota Department of Human Services develop procedures to ensure institutions for mental disease are correctly coded in the State's billing system, and that expenditures reported on its CMS-64 reports for its Minnesota Substance Use Disorder System Reform project do not include institutions for mental disease, unless enrolled in this project. In addition, we recommend the Minnesota Department of Human

Services submit corrected CMS-64 reports to the CMS, and to reimburse the CMS the $112,086,688 Medicaid payments received that were not eligible for federal reimbursement.

View of Responsible Official: Concur

2024-023 **Special Tests and Provisions – Security Review of Medicaid Management Information System (MMIS)**

Prior Year Finding Number: 2023-030
Year of Finding Origination: 2023
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: 93.778 Medical Assistance Program
93.778 COVID-19 – Medical Assistance Program
Award Number and Year: 2205MN5ADM, 2205MN5MAP, 2022;
2305MN5ADM, 2305MN5MAP, and 2305MNIMPL, 2023;
2405MN5MAP and 2405MN5ADM, 2024

State 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 45 U.S. *Code of Federal Regulations* § 95.621(f)(3) requires the Department of Human Services to review the automated data processing (ADP) system security on a biennial basis. At a minimum, the reviews shall include an evaluation of physical and data security operating procedures, and personnel practices. In addition, Title 45 U.S. *Code of Federal Regulations* § 95.621(f)(6) notes the Department of Human Services shall maintain reports of their biennial ADP system security reviews.

Condition: The Minnesota Department of Human Services maintains the computer system, MMIS, which is used in the benefit payment process. The Minnesota Department of Human Services, working with Minnesota Information Technology Services (MNIT), did not complete a biennial information system security review of the MMIS application and environment, which helps identify new, and validate any existing, risks and vulnerabilities.

Questioned Costs: None.

Context: The Minnesota Department of Human Services, working with MNIT, has a process for completing system security reviews and annual risk assessments for information systems. The Minnesota Department of Human Services informed us that the security review of MMIS was completed and approved in November 2024.

Effect: The Minnesota Department of Human Services is not in compliance with Title 45 U.S. *Code of Federal Regulations* § 95.621(f)(3) and (6). In addition, failure to perform regular system security reviews could allow security gaps or vulnerabilities of the system to go undetected, which can increase the risk of a security breach or fraud.

Cause: The Minnesota Department of Human Services informed us its security review of MMIS was not complete due to department resource constraints.

Recommendation: We recommend the Minnesota Department of Human Services work with MNIT to complete the security review of MMIS on a biennial basis.

View of Responsible Official: Concur

2024-024 **Reporting – Federal Funding Accountability and Transparency Act (FFATA)**
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 Homeland Security
Program: 97.036 Disaster Grants – Public Assistance (Presidentially Declared Disasters)
97.036 COVID-19 – Disaster Grants – Public Assistance (Presidentially Declared Disasters)
Award Number and Year: 4182DRMNP00000001, 2014; 4290DRMNP00000001, 2016; 4442DRMNP00000001, 2019; 4531DRMNP00000001, 2020; 4666DRMNP00000001, 4659DRMNP00000001, and 4658DRMNP00000001, 2022; 4722DRMNP00000001, 2023

State Agency: Minnesota Department of Public Safety

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.

Under the requirements of the Federal Funding Accountability and Transparency Act (pub. L. No. 109-282), as amended by Section 6202 of Pub. L., No. 110-252, that are codified in Title 2 U.S. *Code of Federal Regulations*, Part 170, recipients (i.e., direct recipients) of grants or cooperative agreements are required to report first-tier subawards of $30,000 or more to the Federal Funding Accountability and Transparency Act Subaward Reporting System (FSRS). Title 2 U.S. *Code of Federal Regulations*, Appendix A to Part 170(a)(2)(ii), requires reporting an obligation, once made, by the end of the subsequent month.

Condition: For 12 of the 14 subaward obligations selected for FFATA testing, the information was not submitted in the FSRS by the due date. Additionally, two of the 14 subaward obligations tested were not reported in the FSRS.

Transactions Tested	Report Not Timely	Subaward Not Reported
14	12	2
Dollar Amount of Tested Transactions	**Report Not Timely**	**Subaward Not Reported**
$ 2,361,706	$ 2,182,985	$ 178,721

Questioned Costs: None.

Context: The issue was noted during the audit of Disaster Grants – Public Assistance (Presidentially Declared Disasters); however, it could impact federal programs agency-wide.

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

Effect: The Minnesota Department of Public Safety is not in compliance with FFATA reporting requirements.

Cause: The Minnesota Department of Public Safety informed us that FFATA reporting was not completed in a timely manner due to staffing levels and prioritizing the closing out of old projects, and, for two subawards not reported, due to issues with the subrecipients Unique Entity Identifier number.

Recommendation: We recommend the Minnesota Department of Public Safety implement procedures to ensure all information necessary for reporting is obtained from subrecipients and that reports are submitted as required by FFATA.

View of Responsible Official: Concur

2024-025 **Subrecipient Monitoring**
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 Homeland Security
Program: 97.036 Disaster Grants – Public Assistance (Presidentially Declared Disasters)
97.036 COVID-19 – Disaster Grants – Public Assistance (Presidentially Declared Disasters)
Award Number and Year: 4182DRMNP00000001, 2014; 4290DRMNP00000001, 2016; 4442DRMNP00000001, 2019; 4531DRMNP00000001, 2020; 4666DRMNP00000001, 4659DRMNP00000001, and 4658DRMNP00000001, 2022; 4722DRMNP00000001, 2023

State Agency: Minnesota Department of Public Safety

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 2 U.S. *Code of Federal Regulations* § 200.332 states that pass-through entity monitoring of the subrecipient must include issuing a management decision for applicable audit findings as required by § 200.521 and verifying that every subrecipient is audited as required when it is expected that the subrecipient's Federal awards expended during the respective fiscal year equaled or exceeded the threshold as described in § 200.501.

Title 2 U.S. *Code of Federal Regulations* § 200.521(d) states the pass-through entity responsible for issuing a management decision must do so within six months of acceptance of the audit report by the Federal Audit Clearinghouse.

Condition: The following exceptions were noted in the 11 subrecipients selected for testing:

- For three subrecipient audit reports, there was no documented evidence of a review being performed.
- Seven subrecipient audit reports were not reviewed until after the management decision deadline.

Questioned Costs: None.

Context: Both the Minnesota Department of Public Safety and overall State of Minnesota policies and procedures over subrecipient monitoring require reviewing audit reports of subrecipients and issuing a management decision letter to subrecipients with federal findings. The Minnesota Department of Public Safety provided federal funds to subrecipients and had a total of 100 audit reports to review. Of these 100 reports, the Minnesota Department of Public Safety was appointed the cognizant agency at the State level for 21 of these reports yet was still responsible for reviewing the remaining 79 reports.

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

Effect: The Minnesota Department of Public Safety is not in compliance with subrecipient monitoring requirements. Failure to review subrecipient audit reports and issue the appropriate management decisions

increases the risk that subrecipients may not administer subawards in compliance with the terms and conditions of the subawards.

Cause: The Minnesota Department of Public Safety informed us that, due to lack of available staff time, the tracking of these reviews was not performed, and management decisions were not issued when required.

Recommendation: We recommend the Minnesota Department of Public Safety strengthen procedures in place to ensure that all reviews of subrecipient audits are documented and the appropriate management decisions are issued by the due date.

View of Responsible Official: Concur

2024-026 **Cash Management – Amounts Provided to Subrecipients**
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 Transportation
Program: 20.509 Formula Grants for Rural Areas and Tribal Transit Program
20.509 COVID-19 – Formula Grants for Rural Areas and Tribal Transit Program
Award Number and Year: MN-2021-036, 2021

State Agency: Minnesota Department of Transportation

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 2 U.S. *Code of Federal Regulations* § 200.305(b)(3) states when the reimbursement method is used to pay subrecipients, the pass-through entity must make payment within 30 calendar days after receipt of the payment request unless the federal agency or pass-through entity reasonably believes the request to be improper.

Condition: Two of the 20 subrecipient payments tested for compliance with federal cash management requirements were not paid within 30 days following receipt of the reimbursement request.

Questioned Costs: None.

Context: Payments were made 63 and 69 days after receipt of the reimbursement request.

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

Effect: The Minnesota Department of Transportation is not in compliance with cash management requirements.

Cause: The Minnesota Department of Transportation informed us the delay was due to staff shortages and an increase in workload.

Recommendation: We recommend the Minnesota Department of Transportation strengthen procedures in place to ensure payments are made in accordance with federal cash management regulations.

View of Responsible Official: Concur

2024-027 National Student Loan Database System (NSLDS) Enrollment Reporting (Published in CLA Report as 2024-001)
Prior Year Finding Number: 2023-034 (Published in CLA Report as 2023-001)
Year of Finding Origination: 2023
Type of Finding: Internal Control Over Compliance and Compliance
Severity of Deficiency: Significant Deficiency and Other Matter

Federal Agency: U.S. Department of Education
Program: Student Financial Aid Cluster
Award Number and Year: Grant award number not provided, July 1, 2023 to June 30, 2024

State Agency: Minnesota State Colleges and Universities

Criteria: The *Code of Federal Regulations*, 34 CFR 685.309 requires that enrollment status changes for students be reported to NSLDS within 30 days or within 60 days if the student with the status change will be reported on a scheduled transmission within 60 days of the change in status.

Condition: During our testing of 60 students, we noted one student from Pine Technical and Community College where the change in enrollment status was not reported within 60 days. Additionally, during our testing of 60 students, we noted three students from Hennepin Technical College, one student from Pine Technical and Community College, and one student from Central Lakes Community College where the effective date reported on the "Enrollment Level" and "Program Level" report in NSLDS did not match.

Questioned Costs: None.

Context: During our testing, it was noted the institutions do not have a process in place to ensure timeliness and accuracy of NSLDS reporting.

Effect: The colleges did not comply with Department of Education (ED) regulations by reporting student enrollment status changes timely and accurately.

Cause: The institutions did not have a process in place to ensure the student who graduated or withdrew were reported timely and the effective dates were accurate.

Recommendation: We recommend the colleges reevaluate their procedures and review policies surrounding reporting status changes to NSLDS to ensure timely reporting.

View of Responsible Official: There is no disagreement with the audit finding.

2024-028 <u>Tier One Arrangements</u>
<u>(Published in CLA Report as 2024-002)</u>
Prior Year Finding Number: 2023-038 (Published in CLA Report as 2023-005)
Year of Finding Origination: 2023
Type of Finding: Internal Control Over Compliance and Compliance
Severity of Deficiency: Significant Deficiency and Other Matter

Federal Agency: U.S. Department of Education
Program: Student Financial Aid Cluster
Award Number and Year: Grant award number not provided, July 1, 2023 to June 30, 2024

State Agency: Minnesota State Colleges and Universities

Criteria: The *Code of Federal Regulations*, 34 CFR 668.164(e) states that a school must provide to ED an up-to-date URL for the contract for publication in a centralized database accessible to the public. Unless the school has a Tier Two arrangement under the threshold, the URL must also include the contract data.

Condition: During our testing of Tier One Arrangements, we noted Dakota County Technical College, Inver Hills Community College, Pine Technical College, and Saint Paul College did not provide the URL for their Tier One Arrangement to the Department of Education.

Questioned Costs: None.

Context: During our testing, we noted the colleges had uploaded the Tier One agreement to their individual website; however, they did not provide the URL to the Department of Education.

Effect: The colleges are not in compliance with Department of Education requirements regarding Tier One arrangements.

Cause: The colleges did not have a process in place to ensure the URL was timely reported to the Department of Education.

Recommendation: We recommend the colleges review their policies and procedures surrounding their Tier One agreement to ensure they are in compliance with the Department of Education requirements.

View of Responsible Official: There is no disagreement with the audit finding.

2024-029 <u>Perkins Recordkeeping</u>
<u>(Published in CLA Report as 2024-003)</u>
Prior Year Finding Number: 2023-035 (Published in CLA Report as 2023-002)
Year of Finding Origination: 2023
Type of Finding: Internal Control Over Compliance and Compliance
Severity of Deficiency: Significant Deficiency and Other Matter

Federal Agency: U.S. Department of Education
Program: 84.038 Student Financial Aid Cluster
Award Number and Year: Grant award number not provided, July 1, 2023 to June 30, 2024

State Agency: Minnesota State Colleges and Universities

Criteria: The *Code of Federal Regulations*, 34 CFR 674.19(e) states that Institutions must retain original, true and exact copies of promissory and master promissory notes (MPN), repayment records, and cancellation and deferment requests for each Perkins loan made. An original electronically signed MPN must be retained by the institution for three years after all the loans made on the MPN are satisfied.

Condition: During our testing of 40 retired or assigned loans, we noted for St. Cloud State University, one MPN was unable to be located. Furthermore, we noted for Minnesota State University, Mankato, two MPNs were unable to be located.

Questioned Costs: None.

Context: The MPNs for three students were not retained as required by the regulations.

Effect: The universities were not in compliance with the Perkins recordkeeping regulations.

Cause: The universities did not have a process in place to ensure they retained a copy of the MPN for at least three years after the loans were satisfied.

Recommendation: We recommend the universities implement procedures moving forward to ensure that all necessary MPN's are retained in accordance with the Perkins recordkeeping regulations.

View of Responsible Official: There is no disagreement with the audit finding.

MINNESOTA

State of Minnesota
Financial and Compliance Report on Federally Assisted Programs
Agency Provided Corrective Action Plans
Fiscal Year Ended June 30, 2024

Index of Corrective Action Plans

Finding Number	State Agency	Page
2024-001	Health	97
2024-002	Health	97
2024-003	Health	98
2024-004	Health	98
2024-005	Human Services	99
2024-006	Human Services	100
2024-007	Human Services	101
2024-008	Human Services	101
2024-009	Human Services	102
2024-010	Human Services	102
2024-011	Human Services	103
2024-012	Human Services	103
2024-013	Human Services	104
2024-014	Human Services	104
2024-015	Human Services	104
2024-016	Human Services	105
2024-017	Human Services	105
2024-018	Human Services	106
2024-019	Human Services	107
2024-020	Human Services	107
2024-021	Human Services	108

Index of Corrective Action Plans (Continued)

Finding Number	State Agency	Page
2024-022	Human Services	109
2024-023	Human Services	110
2024-024	Public Safety	111
2024-025	Public Safety	112
2024-026	Transportation	113
2024-027 (CLA 2024-001)	Minnesota State Colleges and Universities	114
2024-028 (CLA 2024-002)	Minnesota State Colleges and Universities	116
2024-029 (CLA 2024-003)	Minnesota State Colleges and Universities	116

Protecting, Maintaining and Improving the Health of All Minnesotans

Representation of the
Minnesota Department of Health

Corrective Action Plan
For the Year Ended June 30, 2024

Finding Number: 2024-001
Finding Title: Equipment and Real Property Management
Program: Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) (Assistance Listing # 93.323)
COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) (Assistance Listing # 93.323)

Name of Contact Person Responsible for Corrective Action:

Jill Simonetti, Assistant Division Director of Public Health Lab

Corrective Action Planned:

The Department of Health public health laboratory will ensure supervisors and managers in the lab maintain a list of assets which includes all the federal requirements for capital assets. Whan a capital asset is sent for surplus or changes its disposition, the facilities management procedure (PR408.01) for asset tracking will be followed. The list of assets will be reviewed by the assistant division director of the public health lab annually.

Anticipated Completion Date:

June 30, 2025

Finding Number: 2024-002
Finding Title: Suspension and Debarment
Program: Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) (Assistance Listing # 93.323)
COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) (Assistance Listing # 93.323)

Name of Contact Person Responsible for Corrective Action:

Joshua Bunker, CFO

Corrective Action Planned:

The Department of Health will verify that entities were not debarred, suspended, or otherwise excluded from participation in federal programs or activities and retain this documentation.

Anticipated Completion Date:

June 30, 2025

Finding Number: 2024-003
Finding Title: Reporting – Annual Federal Financial Report
Program: Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) (Assistance Listing # 93.323)
COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) (Assistance Listing # 93.323)

Name of Contact Person Responsible for Corrective Action:

Joshua Bunker, CFO

Corrective Action Planned:

The Department of Health has already begun to ensure all federal reports are submitted timely.

Anticipated Completion Date:

June 30, 2025

Finding Number: 2024-004
Finding Title: Reporting – Federal Funding Accountability and Transparency Act (FFATA)
Program: Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) (Assistance Listing # 93.323)
COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) (Assistance Listing # 93.323)

Name of Contact Person Responsible for Corrective Action:

Joshua Bunker, CFO

Corrective Action Planned:

The Department of Health hired a FFATA coordinator in February 2025 and has started to upload data into the federal system.

Anticipated Completion Date:

June 30, 2025

Representation of the
Minnesota Department of Human Services
Corrective Action Plan
For the Year Ended June 30, 2024

For fiscal year 2024, the Minnesota Department of Human Services (DHS) was responsible for administration of the federal programs. On July 1, 2024, the Department of Children, Youth and Families (DCYF) was provided oversight of some grants. The corrective actions noted below were developed by the respective agency.

Finding Number: 2024-005
Finding Title: Allowable Costs/Cost Principles – Public Assistance Cost Allocation Plan Amendments
Programs: 93.563 Child Support Services
93.658 Foster Care Title IV-E
93.659 Adoption Assistance
93.659 COVID-19 – Adoption Assistance
93.767 Children's Health Insurance Program
93.767 COVID-19 – Children's Health Insurance Program
93.778 Medical Assistance Program

Name of Contact Person Responsible for Corrective Action:

Jackie Miller, Budget Operations Manager, Financial Operations Division

Corrective Action Planned:

While the two errors from the audit did not result in DHS inaccurately calculating or inappropriately charging costs to any federal awards, we acknowledge that an error of this nature has the potential to have that effect. As identified by the auditors, the root cause of this error was a failure to inactive a cost center in our IT system and apply those costs to a cost center that had moved in the PACAP. In March 2024, we designed a new internal control that requires staff to compare the active cost centers in our written cost allocation plan to the active cost centers in our IT system and ensure there is alignment. We have discovered that implementation of that new control is not complete. We will ensure the new control is added to process documents and will monitor for compliance. We are also in the process of implementing a new cost allocation IT system that will allow for more reporting ability to compare the system data to the PACAP to ensure errors of this nature don't occur in the future.

Anticipated Completion Date:

June 30, 2025

Finding Number: 2024-006
Finding Title: Reporting – Federal Funding Accountability and Transparency Act (FFATA)
Programs: 93.044 Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers
93.044 COVID-19 – Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers
93.045 Special Programs for the Aging, Title III, Part C, Nutrition Services
93.045 COVID-19 – Special Programs for the Aging, Title III, Part C, Nutrition Services
93.053 Nutrition Services Incentive Program
93.558 Temporary Assistance for Needy Families
93.575 Child Care and Development Block Grant
93.575 COVID-19 – Child Care and Development Block Grant
93.658 Foster Care Title IV-E
93.658 COVID-19 – Foster Care Title IV-E
93.767 Children's Health Insurance Program
93.778 Medical Assistance Program
93.959 Block Grants for Prevention and Treatment of Substance Abuse

Name of Contact Person Responsible for Corrective Action:

Jackie Miller, Budget Operations Manager, Financial Operations Director

Corrective Action Planned:

We acknowledge that this is a long-standing repeat audit finding. Previously, we did not have the staff resources to tackle this non-compliance issue which requires coordination across the agency to develop a process to systematically collect, store, and report the required FFATA data elements. We started improving this process in May 2024, towards the end of the audit scope. We have been submitting monthly FFATA submissions to resolve outstanding activity that we hadn't reported.

The Financial Operations Division (FOD) has been working with the federal government to submit catch up FFATA files for May 2020 through December 2024 in the Federal Sub-award Reporting System (FSRS). Technical errors related to the Federal Award Identification Number (FAIN) and Unique Entity Identification (UEI) are improving as we have been developing a better process for finding accurate information. Submissions continue to fail due to the vendor address we have on file not matching FSRS data. FSRS is moving to a new IT system where they will provide the vendor address based on the UEI we enter, which will hopefully prevent this error type.

To prepare for the transition to FSRS's new IT system, FOD will develop procedures with step-by-step instructions for how to use the new FSRS and what information we are required to submit. FOD will also develop reports to be reviewed and run by staff to ensure we have all the necessary information related to FAIN and UEI. Once the new FSRS is operational, all technical errors resulting in rejection from FSRS will be resolved and resubmitted no later than the next month's submission. Ideally, we are hoping the new system will allow FOD to clean up all old submissions with mismatched address information so we can be caught up on our reporting responsibilities.

Anticipated Completion Date:

December 31, 2025

Finding Number: 2024-007
Finding Title: Reporting – Title IV-E Programs Quarterly Financial Report (Form CB-496)
Programs: 93.658 Foster Care Title IV-E
93.658 COVID-19 – Foster Care Title IV-E
93.659 Adoption Assistance
93.659 COVID-19 - Adoption Assistance

Name of Contact Person Responsible for Corrective Action:

Bryan Adams, Financial Operations Director
Jessica Nowlin, Chief Compliance Officer

Corrective Action Planned:

Incoming DCYF financial leadership is working through a process of analyzing past activities, documenting a DCYF procedure for filing reports, and reconciling past reports.

Anticipated Completion Date:

December 31, 2025

Finding Number: 2024-008
Finding Title: Subrecipient Monitoring – Risk Assessment and Monitoring Procedures
Programs: 93.044 Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers
93.044 COVID-19 -Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers
93.045 Special Programs for the Aging, Title III, Part C, Nutrition Services
93.045 COVID-19 - Special Programs for the Aging, Title III, Part C, Nutrition Services
93.053 Nutrition Services Incentive Program
93.558 Temporary Assistance for Needy Families
93.563 Child Support Services
93.575 Child Care and Development Block Grant
93.575 COVID-19 – Child Care and Development Block Grant
93.959 Block Grants for Prevention and Treatment of Substance Abuse

Name of Contact Person Responsible for Corrective Action:

For DCYF – Dr. Shaneen Moore, Assistant Commissioner – Family Wellbeing
Diane Hulcey, Assistant Commissioner – Early Childhood
Jessica Nowlin, Chief Compliance Officer
For DHS – Jess Geil, Chief Compliance Officer

Corrective Action Planned:

Over the course of the calendar year, the DCYF will develop documented risk assessment procedures for each program.

DHS' Compliance Office will work with the Aging and Disability Services Administration and the Behavioral Health Administration to evaluate and document the risk that subrecipients are not administering federal awards in compliance with all applicable federal requirements.

The Department of Health (MDH) implemented a new process for the 2023 Year-End Single Audit Monitoring in November 2024. MDH believes this new process will address and resolve the issues identified in this report.

Anticipated Completion Date:

For DCYF – December 31, 2025
For DHS – December 31, 2025
For MDH – Completed November 30, 2024

Finding Number: 2024-009
Finding Title: Reporting – Issuance Reconciliation Report (FNS-46)
Programs: 10.542 COVID-19 – Pandemic EBT Food Benefits

Name of Contact Person Responsible for Corrective Action:

Bryan Adams, Financial Operations Director
Jessica Nowlin, Chief Compliance Officer

Corrective Action Planned:

None. The program is over. All reporting has been completed. Future programs will ensure timely reporting.

Anticipated Completion Date:

September 30, 2023

Finding Number: 2024-010
Finding Title: Matching – Administration Expenditures
Programs: 93.044 Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers
93.044 COVID-19 -Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers
93.045 Special Programs for the Aging, Title III, Part C, Nutrition Services
93.045 COVID-19 - Special Programs for the Aging, Title III, Part C, Nutrition Services

Name of Contact Person Responsible for Corrective Action:

Reena Shetty, Executive Director Minnesota Board of Aging

Corrective Action Planned:

The Minnesota Board on Aging (MBA) will review and revise their maintenance of effort calculations to ensure compliance with the matching requirements for expenditures by Area Agencies on Aging. MBA will also update their operations policy and procedure for maintenance of effort certification.

Anticipated Completion Date:

June 30, 2025

Finding Number: 2024-011
Finding Title: Earmarking – Administration Expenditures
Programs: 93.044 Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers
93.044 COVID-19 -Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers
93.045 Special Programs for the Aging, Title III, Part C, Nutrition Services
93.045 COVID-19 - Special Programs for the Aging, Title III, Part C, Nutrition Services
93.053 Nutrition Services Incentive Program

Name of Contact Person Responsible for Corrective Action:

Reena Shetty, Executive Director Minnesota Board of Aging

Corrective Action Planned:

The MBA will review and revise their maintenance of effort processes to ensure accurate Federal Financial Reporting, and to ensure Area Agencies on Aging are accurately and timely reporting expenditures.

Anticipated Completion Date:

June 30, 2025

Finding Number: 2024-012
Finding Title: Reporting – Reports and Supplemental Form (SF-425)
Programs: 93.044 Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers
93.044 COVID-19 -Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers
93.045 Special Programs for the Aging, Title III, Part C, Nutrition Services
93.045 COVID-19 - Special Programs for the Aging, Title III, Part C, Nutrition Services
93.053 Nutrition Services Incentive Program

Name of Contact Person Responsible for Corrective Action:

Reena Shetty, Executive Director Minnesota Board of Aging

Corrective Action Planned:

The MBA will review their procedures for tracking and reporting Match spending by Area Agencies on Aging and the MBA. We will also enhance procedures for reviewing Federal Financial Reports (SF-425) submitted during the audit period and update supplemental pages if needed.

Anticipated Completion Date:

June 30, 2025

Finding Number: 2024-013
Finding Title: Reporting – Certification of Maintenance of Effort
Programs: 93.044 Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers
93.045 Special Programs for the Aging, Title III, Part C, Nutrition Services
93.053 Nutrition Services Incentive Program

Name of Contact Person Responsible for Corrective Action:

Reena Shetty, Executive Director Minnesota Board of Aging

Corrective Action Planned:

The MBA will revise and resubmit Minnesota's Certification of Maintenance of Effort for FFY22 and FFY23. The MBA will also update their policy and procedures on maintenance of effort certification.

Anticipated Completion Date:

June 30, 2025

Finding Number: 2024-014
Finding Title: Temporary Assistance for Needy Families Eligibility - MAXIS
Programs: 93.558 Temporary Assistance for Needy Families

Name of Contact Person Responsible for Corrective Action:

Dr. Shaneen Moore, Assistant Commissioner – Family Wellbeing
Jessica Nowlin, Chief Compliance Officer

Corrective Action Planned:

The DCYF plans to increase its training and monitoring efforts with county partners to create reduction in the error rate on TANF eligibility determinations. A plan will be put in place by May 2025 for additional outreach efforts, monitoring and collaboration between DCYF policy area, audits, and county relations and counties.

Anticipated Completion Date:

December 31, 2025

Finding Number: 2024-015
Finding Title: Special Tests and Provisions – Child Support Non-Cooperation
Programs: 93.558 Temporary Assistance for Needy Families

Name of Contact Person Responsible for Corrective Action:

Dr. Shaneen Moore, Assistant Commissioner – Family Wellbeing

Corrective Action Planned:

TANF policy staff continue to track statewide child support sanctions. Monthly reports are posted to the SIR platform for review by county staff. A technology initiative to make Child Support DAILs undeletable

(to continue to remind county staff of status of the case) will continue to be pursued. This will require MNIT resources.

Anticipated Completion Date:

December 31, 2026

Finding Number: 2024-016
Finding Title: Special Tests and Provisions – Penalty for Refusal to Work – Zero Hour Case Findings
Programs: 93.558 Temporary Assistance for Needy Families

Name of Contact Person Responsible for Corrective Action:

Dr. Shaneen Moore, Assistant Commissioner – Family Wellbeing

Corrective Action Planned:

A redundancy hire was made, and there are now two persons to conduct these reviews, so there will not be a review period gap.

Anticipated Completion Date:

July 1, 2025

Finding Number: 2024-017
Finding Title: Child Care and Development Fund Eligibility – MEC[2]
Programs: 93.575 Child Care and Development Block Grant
93.575 COVID-19 – Child Care and Development Block Grant
93.596 Child Care Mandatory and Matching Funds of the Child Care and Development Fund

Name of Contact Person Responsible for Corrective Action:

Diane Hulcey, Assistant Commissioner – Early Childhood
Jessica Nowlin, Chief Compliance Officer

Corrective Action Planned:

The DCYF will continue to review and update tools available to Child Care Assistance Program (CCAP) agencies, focusing on correct methods for calculating income, copayments, and authorized hours. Additionally, the agency will be developing an updated approach to outreach and training with the counties, ensuring even more efforts to tie policy area changes to repetitive error rates found in the audits department.

Anticipated Completion Date:

December 31, 2025

Finding Number: 2024-018
Finding Title: Foster Care Title IV-E Subrecipient Monitoring
Programs: 93.658 Foster Care Title IV-E
93.658 COVID-19 – Foster Care Title IV-E

Name of Contact Person Responsible for Corrective Action:

Rebecca St. George, Assistant Commissioner
Jessica Nowlin, Chief Compliance Officer

Corrective Action Planned:

The department has standard operating procedures for its Title IV-E foster care reimbursement program that address areas of risk. These include:

- Continuous monitoring process (CMP) case reviews of subrecipients
- Technical assistance and consultation provision to subrecipients including processes and procedures for documenting, reporting and claiming Title IV-E
- New worker training for subrecipient staff responsible for determining Title IV-E eligibility
- On-going trainings instruct subrecipient staff on initial and on-going Title IV-E requirements
- Automation of Title IV-E program and fiscal requirements in Minnesota's child welfare federal reporting system, Social Service Information System (SSIS)
- Detailed written instructions to subrecipients for addressing invalid Title IV-E claims in SSIS
- Formal process for subrecipients to request technical assistance on invalid Title IV-E claims in SSIS
- Subrecipients are required to correct invalid Title IV-E claims when they receive technical assistance, findings from case reviews and proofing errors in SSIS
- Participation in federal Title IV-E foster care eligibility reviews every 3 years.

Since the US Department of Health and Human Services began conducting state Title IV-E foster care eligibility reviews in 2004, Minnesota has met the substantial compliance standard in every review. The last review was conducted in 2019, and the next is scheduled for April 2026.

The department will continue to execute these activities, and in the next calendar year, will create policy and procedure that articulates the criteria used in county risk assessments.

Anticipated Completion Date:

December 31, 2025

Finding Number: 2024-019
Finding Title: Children's Health Insurance Program Eligibility - MAXIS
Programs: 93.767 Children's Health Insurance Program
93.767 COVID-19 – Children's Health Insurance Program

Name of Contact Person Responsible for Corrective Action:

Tammy Smith, Health Care Eligibility Operations Director
Karen Gibson, Health Care Eligibility and Access Director

Corrective Action Planned:

The DHS Health Care Eligibility and Access Division, Program Integrity and Oversight Unit (PIO), will work jointly with the Office of Internal Control and Accountability's Program Compliance and Audit Staff (PCA) to expand outreach to county and Tribal processing agencies to improve controls at the local level based on the errors noted.

DHS will continue to review and update the tools and processes used to determine program eligibility. DHS will also ensure that education and training target error prone areas. DHS will continue to work with counties to improve controls through county case file eligibility reviews.

Additionally, DHS will continue to emphasize the importance of county case accuracy review processes that target primary areas of concern. All processing agencies will continue to be required to complete these reviews. DHS will also pursue system prompts and the use of reporting or data review to assist local agencies with improving the accuracy of information they manage. PIO and PCA leadership will also work with MNIT to look at systems updates that can be implemented to prompt county staff to request updated information on expired documentation.

Anticipated Completion Date:

January 31, 2026

Finding Number: 2024-020
Finding Title: Children's Health Insurance Program Eligibility - METS
Programs: 93.767 Children's Health Insurance Program
93.767 COVID-19 – Children's Health Insurance Program

Name of Contact Person Responsible for Corrective Action:

Tammy Smith, Health Care Eligibility Operations Director
Karen Gibson, Health Care Eligibility and Access Director

Corrective Action Planned:

The DHS Health Care Eligibility and Access Division, PIO Unit, will work jointly with the Office of Internal Control and Accountability's PCA Staff to expand outreach to county and Tribal processing agencies to improve controls at the local level based on the errors noted.

DHS will continue to review and update the tools and processes used to determine program eligibility. DHS will also ensure that education and training target error prone areas. DHS will continue to work with counties to improve controls through county case file eligibility reviews.

Additionally, DHS will continue to emphasize the importance of county case accuracy review processes that target primary areas of concern. All processing agencies will continue to be required to complete these reviews. DHS will also pursue system prompts and the use of reporting or data review to assist local agencies with improving the accuracy of information they manage. PIO and PCA leadership will also work with MNIT to look at systems updates that can be implemented to prompt county staff to request updated information on expired documentation.

Anticipated Completion Date:

January 31, 2026

Finding Number: 2024-021
Finding Title: Medical Assistance Program Eligibility - METS
Programs: 93.778 Medical Assistance Program
93.778 COVID-19 – Medical Assistance Program

Name of Contact Person Responsible for Corrective Action:

Tammy Smith, Health Care Eligibility Operations Director
Karen Gibson, Health Care Eligibility and Access Director

Corrective Action Planned:

The DHS Health Care Eligibility and Access Division, PIO Unit, will work jointly with the Office of Internal Control and Accountability's PCA Staff to expand outreach to county and Tribal processing agencies to improve controls at the local level based on the errors noted.

DHS will continue to review and update the tools and processes used to determine program eligibility. DHS will also ensure that education and training target error prone areas. DHS will continue to work with counties to improve controls through county case file eligibility reviews.

Additionally, DHS will continue to emphasize the importance of county case accuracy review processes that target primary areas of concern. All processing agencies will continue to be required to complete these reviews. DHS will also pursue system prompts and the use of reporting or data review to assist local agencies with improving the accuracy of information they manage. PIO and PCA leadership will also work with MNIT to look at systems updates that can be implemented to prompt county staff to request updated information on expired documentation.

Anticipated Completion Date:

June 30, 2027

Finding Number: 2024-022
Finding Title: Reporting – Medicaid Section 1115 Demonstration Project
Programs: 93.778 Medical Assistance Program
93.778 COVID-19 – Medical Assistance Program

Name of Contact Person Responsible for Corrective Action:

Jen Sather, Director of SUD and Shirley Cain, Manager of the American Indian Team

Corrective Action Planned:

1. Documentation and Tracking System Implementation
   - The American Indian team will develop and deploy a comprehensive tracking system that documents all demographic information for tribal programs, with clear identification of IMD and non-IMD status.
   - This system will include specific bed capacity metrics to ensure accurate IMD designation.
   - Implementation will be completed by 6/30/2025.
2. Mandatory Annual Review Process
   - BHA will institute a formal annual review process to assess bed counts for all tribal residential SUD treatment providers.
   - Special attention will be given to facilities approaching or exceeding the 16-bed threshold for IMD designation.
   - The first annual review cycle will begin 6/30/2025.
3. New Program Evaluation Protocol
   - All newly licensed SUD treatment programs will undergo immediate IMD determination review at the time of licensure.
   - Programs will be evaluated against federal funding eligibility guidelines.
   - This protocol will be effective immediately.
4. Support for Newly Identified IMDs
   - The seven identified tribal programs now meeting IMD definitions will receive targeted technical assistance.
   - BHA will provide resources to help these programs meet qualifications required for waiver participation if they choose this path.
   - Initial consultation meetings with these providers have been scheduled with 50% currently completed.
5. Financial System Corrections
   - Coding in the billing system will be updated to ensure proper Federal Financial Participation (FFP) is applied.
   - A comprehensive audit of past billing will be conducted to identify any necessary adjustments.
   - System corrections will be completed by April 5, 2025.

Anticipated Completion Date:

June 30, 2025

Finding Number: 2024-023
Finding Title: Special Tests and Provisions – Security Review of Medicaid Management Information System (MMIS)
Programs: 93.778 Medical Assistance Program
93.778 COVID-19 – Medical Assistance Program

Name of Contact Person Responsible for Corrective Action:

Chris Luhman, DHS MNIT CISO

Corrective Action Planned:

The MMIS security review (SSP) was complete and accredited on November 18, 2024.

Anticipated Completion Date:

November 18, 2024

Office of the Commissioner

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Representation of the
Minnesota Department of Public Safety

Corrective Action Plan
For the Year Ended June 30, 2024

Finding Number: 2024-024
Finding Title: Reporting – Federal Funding Accountability and Transparency Act (FFATA)
Program: 97.036 Disaster Grants – Public Assistance (Presidentially Declared Disasters)
97.036 COVID-19 - Disaster Grants – Public Assistance (Presidentially Declared Disasters)

Name of Contact Person Responsible for Corrective Action:

Brian Olson, HSEM Bureau Director of Preparedness and Recovery

Corrective Action Planned:

Homeland Security & Emergency Management (HSEM) will hire a staff member, whose position focus will be on Single Audit compliance to ensure that required reporting will be completed in a timely manner. This staff member will be responsible for developing an internal procedure for compiling the necessary data and reporting on that data. The staff will also be responsible for tracking changes and updates to federal reporting requirements and adjusting internal procedure accordingly. That position will also be tasked with training internal staff on our cognizant agency subrecipient monitoring roles and responsibilities.

HSEM Bureau leadership will monitor the FFATA requirements and staff implementation of the internal federal reporting procedure to ensure reports are submitted in a timely manner and in compliance with federal requirements. Leadership will collaborate with staff to address any updates or adjustments of internal processes and procedures.

Anticipated Completion Date:

The hiring process for this staff member has completed. The staff member will begin the onboarding process on March 12, 2025, for the federal grant compliance and closeout role.

The internal procedure for federal reporting will be developed and implemented.

HSEM anticipates this corrective action plan to resolve the audit finding to be completed by July 31, 2025.

EQUAL OPPORTUNITY EMPLOYER

Finding Number: 2024-025
Finding Title: Subrecipient Monitoring
Program: 97.036 Disaster Grants – Public Assistance (Presidentially Declared Disasters)
97.036 COVID-19 - Disaster Grants – Public Assistance (Presidentially Declared Disasters)

Name of Contact Person Responsible for Corrective Action:

Brian Olson, HSEM Bureau Director of Preparedness and Recovery

Corrective Action Planned:

HSEM will hire a staff member, whose position focus will be on Single Audit compliance to ensure that required subrecipient monitoring will be completed in a timely manner. This staff member will be responsible for developing an internal procedure for monitoring subrecipients, including reviewing audits and issuing management letters when applicable. The staff will also be responsible for tracking changes and updates to federal subrecipient monitoring requirements and adjusting internal procedure accordingly. That position will also be tasked with training internal staff on our cognizant agency subrecipient monitoring roles and responsibilities. This position will also work with the HSEM public assistance disaster subrecipients to conduct monitoring to ensure proper timeliness and completion of documentation.

Anticipated Completion Date:

The hiring process for this staff member has completed. The staff member will begin the onboarding process on March 12, 2025, for the federal grant compliance and closeout role.

The internal procedure for monitoring subrecipients will be developed and implemented.

HSEM anticipates this corrective action plan to resolve the audit finding to be completed by July 31, 2025.

Representation of the
Minnesota Department of Transportation

Corrective Action Plan
For the Year Ended June 30, 2024

Finding Number: 2024-026
Finding Title: Cash Management – Amounts Provided to Subrecipients
Program: 20.509 Formula Grants for Rural Areas and Tribal Transit Program
20.509 COVID-19 – Formula Grants for Rural Areas and Tribal Transit Program

Name of Contact Person Responsible for Corrective Action:

Jon Solberg, MnDOT Assistant Commissioner for Sustainability, Programming, and Project Management

Corrective Action Planned:

The Office of Transit and Active Transportation will review processes, procedures, and workload capacity and make changes necessary to ensure that payments are made in accordance with federal cash management regulations.

Anticipated Completion Date:
July 1, 2025

Representation of
Minnesota State Colleges and Universities

Corrective Action Plan
Year Ended June 30, 2024

United States Department of Education

Minnesota State Colleges and Universities respectfully submits the following corrective action plan for the year ended June 30, 2024.

Audit period: July 01, 2023 to June 30, 2024

The findings from the schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

Findings—Financial Statement Audit

There were no financial statement findings in the current year.

Findings—Federal Award Programs Audits

United States Department of Education

2024-001 National Student Loan Database System (NSLDS) Enrollment Reporting

Student Financial Aid Cluster – Assistance Listing No. Various

Recommendation: We recommend the colleges reevaluate their procedures and review policies surrounding reporting status changes to NSLDS to ensure timely and accurate reporting.

Central Lakes Community College

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding: The Central Lakes College Registrar and Financial Aid Director met on 12/5/24 to review the date mismatch between the program enrollment certification date (01/08/2024) and the enrollment certification date (3/18/24) for the student cited in the audit finding. Clearinghouse submissions were reviewed as well as error rosters to see if the student was ever on an error roster. CLC did not find the student on an error roster after the enrollment transmission was sent to the Clearinghouse on 4/15/24. Nothing prompted CLC to review this student any further at that time. The CLC Financial Aid Director manually updated the program level certification date on 12/5/24 for the Associate of Arts degree for the student's "withdrawn" status to 3/18/24 to match the overall enrollment certification date status of "withdrawn".

We believe that a "program enrollment certification date" being different from an "enrollment certification date" usually occurs when a student is enrolled in multiple programs within a school, and the institution reports each program's enrollment separately, leading to different certification dates for each program, even though the overall enrollment certification date for the student may be correct.

To make sure that these types of date mismatches no longer occur, the Central Lakes College Financial Aid Director will spot check enrollment and program level certification dates after future enrollment transmissions to the Clearinghouse. The Financial Aid Director will go to the NSLDS website to review the Enrollment Maintenance tab to look for mismatches in certification dates. Manual updates to any incorrect program level or enrollment level certification dates will be performed by the Financial Aid Director.

Additionally, the Central Lakes Financial Aid Director submitted a help desk ticket on 12/5/24 to the System Office I.T. department to determine what may be triggering these effective date mismatches so they can be resolved in future transmissions.

Name(s) of the contact person(s) responsible for corrective action: Nathan Wright

Planned completion date for corrective action plan: January 1, 2025

Pine Technical and Community College

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding: Due to staff changes and unusually high amounts of errors, PTCC became behind on reporting. PTCC partners with the National Clearinghouse on enrollment reporting, which requires addressing errors in one term in order to report the next term. PTCC has worked hard the past year to identify, correct and prevent errors and the backlog of reporting is almost caught up. Therefore, PTCC will meet the established deadlines going forward.

Name(s) of the contact person(s) responsible for corrective action: Jennifer Haavisto, Registrar

Planned completion date for corrective action plan: December 31, 2024

Hennepin Technical College

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding: We concur with the finding that the Enrollment Level Data is being reported correctly but the data is not reflected as the same in the Program Level Data. We are working to correct the problem for these students. This has not occurred in our records, previously, and will work with the Minnesota State System Office to provide the correct training to ensure it is reported correctly.

A key point to note is that the errors are not happening at the campus level. We believe, and other Minnstate colleges share this opinion, that there is an issue with the data pull process happening via SO/MinnState, which then gets sent to the Clearinghouse. It’s not a single problem, but rather a combination of issues, these include, but are not limited to, timing (data changes after it's pulled) and cases where students complete multiple degrees/certificates under the same CIP code.

Name(s) of the contact person(s) responsible for corrective action: Misty Spicer, Registrar

Planned completion date for corrective action plan: April 1, 2025

2024-002 Tier One Arrangements

Student Financial Aid Cluster – Assistance Listing No. Various

Recommendation: We recommend the colleges and universities review their policies and procedures surrounding their Tier One agreement to ensure they are in compliance with the Department of Education requirements.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding: The colleges and universities continue to review their policies and procedures surrounding their Tier One agreement as in the prior year, to ensure they are in compliance with the Department of Education requirements. They also continue to ensure the URL is sent to Department of Education appropriately.

Name(s) of the contact person(s) responsible for corrective action: Institutional financial aid directors and business office managers

Planned completion date for corrective action plan: June 30, 2025

2024-003 Perkins Recordkeeping

Student Financial Aid Cluster – Assistance Listing No. Various

Recommendation: We recommend the universities implement procedures moving forward to ensure that all necessary MPN's are retained in accordance with the Perkins recordkeeping regulations.

St. Cloud State University

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding: The University will implement procedures to ensure that all necessary MPN's are retained in accordance with regulations surrounding Perkins recordkeeping. This will include a new process of attaching these to the student's file in Perceptive Content. Those physical copies of unpaid will still be kept in a fire-proof cabinet. The physical paid-in-full copies are and will still be retained in a physical file cabinet in the Business Office.

Name(s) of the contact person(s) responsible for corrective action: Kyle Welch, Director of Business Services

Planned completion date for corrective action plan: January 31, 2025

Minnesota State University, Mankato

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding: The university will implement procedures to ensure that all necessary MPN's are retained in accordance with the Perkins recordkeeping regulations.

Name(s) of the contact person(s) responsible for corrective action: Craig Sanderson

Planned completion date for corrective action plan: June 30, 2025

If the United States Department of Education has questions regarding this plan, please contact Metody Popov at metody.popov@minnstate.edu

Index of Schedule of Prior Year Audit Findings

		Page
Status of Prior Federal Audit Findings		121
Summary Schedule of Prior Audit Findings		123
Finding Number	State Agency	
2023-001	Minnesota Management and Budget	123
2023-001	Health	123
2023-001	Human Services	124
2023-001	Natural Resources	125
2023-002	Commerce	125
2023-003	Education	125
2023-004	Education	126
2023-005	Education	127
2023-006	Education	127
2023-007	Education	128
2023-008	Education	128
2023-009	Education	129
2023-010	Education	129
2023-011	Education	130
2023-012	Minnesota Management and Budget and Education	130
2023-013	Health	131
2023-014	Health	131
2023-015	Human Services	131
2023-016	Human Services	132

Index of Schedule of Prior Year Audit Findings (Continued)

Finding Number	State Agency	Page
2023-017	Human Services	133
2023-018	Human Services	134
2023-019	Human Services	134
2023-020	Human Services	135
2023-021	Human Services	135
2023-022	Human Services	136
2023-023	Human Services	137
2023-024	Human Services	137
2023-025	Human Services	138
2023-026	Human Services	138
2023-027	Human Services	139
2023-028	Human Services	139
2023-029	Human Services	140
2023-030	Human Services	140
2023-031	Public Safety	141
2023-032	Public Safety	142
2023-033	Public Safety	143
2023-034 (CLA 2023-001)	Minnesota State Colleges and Universities	148
2023-035 (CLA 2023-002)	Minnesota State Colleges and Universities	148
2023-036 (CLA 2023-003)	Minnesota State Colleges and Universities	149
2023-037 (CLA 2023-004)	Minnesota State Colleges and Universities	149
2023-038 (CLA 2023-005)	Minnesota State Colleges and Universities	149
2023-039 (CLA 2023-006)	Minnesota State Colleges and Universities	149
2022-002	Commerce	144
2022-006	Education	144
2022-023	Veterans Affairs	145

Index of Schedule of Prior Year Audit Findings (Continued)

Finding Number	State Agency	Page
2021-021	Public Safety	145
2020-006	Education	146
2020-040	Human Services	147

ALN	Program Name	State Agency	Identified Problem in Prior Single Audit Report	Category of Corrective Action Taken*	SF-SAC Find Ref	Audit Report Fiscal Yr.
	U.S. Department of Agriculture					
10.551	Supplemental Nutrition Assistance Program	Human Services	Inadequate internal controls regarding regular review of the security of information systems which could impact Activities Allowed or Unallowed; Allocable Costs/Cost Principles; or Eligibility	1	2020-040	2020
10.551	Supplemental Nutrition Assistance Program	Human Services	Special Tests and Provisions - Security Review of MAXIS Information System	1	2023-020	2023
10.553	School Breakfast Program	Education	Subrecipient Monitoring - Risk Assessment	2	2023-003	2023
10.553	School Breakfast Program	Education	Subrecipient Monitoring - Timely Issuance of Management Decision	1	2023-004	2023
10.553	School Breakfast Program	Education	Subrecipient Monitoring - Subrecipient Audit Reports for Non-Local Educational Agencies (LEAs)	2	2023-005	2023
10.553	School Breakfast Program	Education	Reporting - Financial Reporting on FNS-777	2	2023-006	2023
10.553	School Breakfast Program	Education	Reporting - Federal Funding Accountability and Transparency Act (FFATA)	2	2023-008	2023
10.553	School Breakfast Program	Education	Special Tests and Provisions - Noncompliance with Physical Inventory Requirement	2	2023-009	2023
10.555	National School Lunch Program	Education	Subrecipient Monitoring - Risk Assessment	2	2023-003	2023
10.555	National School Lunch Program	Education	Subrecipient Monitoring - Timely Issuance of Management Decision	1	2023-004	2023
10.555	National School Lunch Program	Education	Subrecipient Monitoring - Subrecipient Audit Reports for Non-Local Educational Agencies (LEAs)	2	2023-005	2023
10.555	National School Lunch Program	Education	Reporting - Financial Reporting on FNS-777	2	2023-006	2023
10.555	National School Lunch Program	Education	Reporting - Federal Funding Accountability and Transparency Act (FFATA)	2	2023-008	2023
10.555	National School Lunch Program	Education	Special Tests and Provisions - Noncompliance with Physical Inventory Requirement	2	2023-009	2023
10.555	COVID-19 – National School Lunch Program	Education	Subrecipient Monitoring - Risk Assessment	2	2023-003	2023
10.555	COVID-19 – National School Lunch Program	Education	Subrecipient Monitoring - Timely Issuance of Management Decision	1	2023-004	2023
10.555	COVID-19 – National School Lunch Program	Education	Subrecipient Monitoring - Subrecipient Audit Reports for Non-Local Educational Agencies (LEAs)	2	2023-005	2023
10.555	COVID-19 – National School Lunch Program	Education	Reporting - Financial Reporting on FNS-777	2	2023-006	2023
10.555	COVID-19 – National School Lunch Program	Education	Reporting - Federal Funding Accountability and Transparency Act (FFATA)	2	2023-008	2023
10.556	Special Milk Program for Children	Education	Subrecipient Monitoring - Risk Assessment	2	2023-003	2023
10.556	Special Milk Program for Children	Education	Subrecipient Monitoring - Timely Issuance of Management Decision	1	2023-004	2023
10.556	Special Milk Program for Children	Education	Subrecipient Monitoring - Subrecipient Audit Reports for Non-Local Educational Agencies (LEAs)	2	2023-005	2023
10.556	Special Milk Program for Children	Education	Reporting - Financial Reporting on FNS-777	2	2023-006	2023
10.556	Special Milk Program for Children	Education	Reporting - Federal Funding Accountability and Transparency Act (FFATA)	2	2023-008	2023
10.556	Special Milk Program for Children	Education	Special Tests and Provisions - Noncompliance with Physical Inventory Requirement	2	2023-009	2023
10.558	Child and Adult Care Food Program	Education	Noncompliance with monitoring of subrecipient single audits	2	2020-006	2020
10.558	Child and Adult Care Food Program	Education	Subrecipient Monitoring - Risk Assessment	2	2023-003	2023
10.558	Child and Adult Care Food Program	Education	Subrecipient Monitoring - Timely Issuance of Management Decision	2	2023-004	2023
10.558	Child and Adult Care Food Program	Education	Subrecipient Monitoring - Subrecipient Audit Reports for Non-Local Educational Agencies (LEAs)	2	2023-005	2023
10.559	Summer Food Service Program for Children	Education	Subrecipient Monitoring - Risk Assessment	2	2023-003	2023
10.559	Summer Food Service Program for Children	Education	Subrecipient Monitoring - Timely Issuance of Management Decision	1	2023-004	2023
10.559	Summer Food Service Program for Children	Education	Subrecipient Monitoring - Subrecipient Audit Reports for Non-Local Educational Agencies (LEAs)	2	2023-005	2023
10.559	Summer Food Service Program for Children	Education	Reporting - Financial Reporting on FNS-777	2	2023-006	2023
10.559	Summer Food Service Program for Children	Education	Reporting - Summer Food Sponsor and Site Data	1	2023-007	2023
10.559	Summer Food Service Program for Children	Education	Reporting - Federal Funding Accountability and Transparency Act (FFATA)	2	2023-008	2023
10.559	Summer Food Service Program for Children	Education	Special Tests and Provisions - Noncompliance with Physical Inventory Requirement	2	2023-009	2023
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	Human Services	Inadequate internal controls regarding regular review of the security of information systems which could impact Activities Allowed or Unallowed; Allocable Costs/Cost Principles; or Eligibility	1	2020-040	2020
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	Human Services	Subrecipient Monitoring - Risk Assessment and Monitoring Procedures	2	2023-018	2023
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	Human Services	Special Tests and Provisions - Security Review of MAXIS Information System	1	2023-020	2023
10.561	COVID-19 - State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	Human Services	Special Tests and Provisions - Security Review of MAXIS Information System	1	2023-020	2023
10.582	Fresh Fruit and Vegetable Program	Education	Subrecipient Monitoring - Risk Assessment	2	2023-003	2023
10.582	Fresh Fruit and Vegetable Program	Education	Subrecipient Monitoring - Timely Issuance of Management Decision	1	2023-004	2023
10.582	Fresh Fruit and Vegetable Program	Education	Subrecipient Monitoring - Subrecipient Audit Reports for Non-Local Educational Agencies (LEAs)	2	2023-005	2023
10.582	Fresh Fruit and Vegetable Program	Education	Reporting - Federal Funding Accountability and Transparency Act (FFATA)	2	2023-008	2023
10.582	Fresh Fruit and Vegetable Program	Education	Special Tests and Provisions - Noncompliance with Physical Inventory Requirement	2	2023-009	2023
	U.S. Department of Justice					
16.575	Crime Victim Assistance	Public Safety	Reporting - Federal Funding Accountability and Transparency Act (FFATA)	2	2023-031	2023
16.575	Crime Victim Assistance	Public Safety	Subrecipient Monitoring	2	2023-032	2023
16.575	Crime Victim Assistance	Public Safety	Special Tests and Provisions - Equal Employment Opportunity Program (EEOP)	1	2023-033	2023
	U.S. Department of the Treasury					
21.027	COVID-19 – Coronavirus State and Local Fiscal Recovery Funds	Minnesota Management and Budget and Education	Procurement, Suspension, and Debarment - Suspension and Debarment	1	2023-012	2023
	U.S. Department of Veterans Affairs					
64.005	Grants to States for Construction of State Home Facilities	Veterans Affairs	Review of Prevailing Wage Reports	1	2022-023	2022
	U.S. Department of Education					
84.010	Title I Grants to Local Educational Agencies	Education	Reporting - Special Reporting for Federal Funding Accountability and Transparency Act (FFATA)	2	2022-006	2022
84.425C	COVID-19 – Governor's Emergency Education Relief (GEER) Fund	Education	Subrecipient Monitoring - Subrecipient Audit Reports for Which the Minnesota Department of Education Was Not the Cognizant Agency	2	2022-009	2022
84.425C	COVID-19 – Governor's Emergency Education Relief (GEER) Fund	Education	Subrecipient Monitoring - Subrecipient Audit Reports for Non-Local Educational Agencies (LEAs)	2	2023-005	2023
84.425U	COVID - 19 - American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER)	Education	Level of Effort	1	2022-007	2022
84.425U	COVID - 19 - American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER)	Education	Level of Effort	1	2023-010	2023
84.425U	COVID - 19 - American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER)	Education	Reporting - Federal Funding Accountability and Transparency Act (FFATA)	1	2023-011	2023
	U.S. Department of Health & Human Services					
93.268	Immunization Cooperative Agreements	Health	Cash Management - Amounts Provided to Subrecipients	1	2023-013	2023
93.268	Immunization Cooperative Agreements	Health	Reporting - Federal Funding Accountability and Transparency Act (FFATA)	2	2023-014	2023
93.268	COVID-19 – Immunization Cooperative Agreements	Health	Cash Management - Amounts Provided to Subrecipients	1	2023-013	2023
93.268	COVID-19 – Immunization Cooperative Agreements	Health	Reporting - Federal Funding Accountability and Transparency Act (FFATA)	2	2023-014	2023
93.423	1332 State Innovation Waivers	Commerce	Reporting	2	2022-002	2022

State of Minnesota
Status of Prior Federal Audit Findings
Fiscal Year Ended June 30, 2024

ALN	Program Name	State Agency	Identified Problem in Prior Single Audit Report	Category of Corrective Action Taken*	SF-SAC Find Ref	Audit Report Fiscal Yr.
93.558	Temporary Assistance for Needy Families	Human Services	Noncompliance with federal eligibility requirements	2	2014-023	2014
93.558	Temporary Assistance for Needy Families	Human Services	Did not consistently reduce cash assistance benefits	2	2015-013	2015
93.558	Temporary Assistance for Needy Families	Human Services	Noncompliance with reporting requirements	2	2021-018	2021
93.558	Temporary Assistance for Needy Families	Human Services	Reporting - Federal Funding Accountability and Transparency Act (FFATA)	2	2023-016	2023
93.558	Temporary Assistance for Needy Families	Human Services	Subrecipient Monitoring - Risk Assessment and Monitoring Procedures	2	2023-018	2023
93.558	Temporary Assistance for Needy Families	Human Services	Eligibility	2	2023-021	2023
93.558	Temporary Assistance for Needy Families	Human Services	Special Tests and Provisions - Child Support Non-Cooperation	2	2023-022	2023
93.568	Low-Income Home Energy Assistance	Commerce	Reporting - Federal Funding Accountability and Transparency Act (FFATA)	1	2023-002	2023
93.568	COVID-19 – Low-Income Home Energy Assistance	Commerce	Reporting - Federal Funding Accountability and Transparency Act (FFATA)	1	2023-002	2023
93.575	Child Care and Development Block Grant	Human Services	Noncompliance with eligibility requirements	2	2018-012	2018
93.575	Child Care and Development Block Grant	Human Services	Noncompliance with subrecipient monitoring requirements	2	2021-014	2021
93.575	Child Care and Development Block Grant	Human Services	Noncompliance with reporting requirements	2	2021-018	2021
93.575	Child Care and Development Block Grant	Human Services	Reporting - Federal Funding Accountability and Transparency Act (FFATA)	2	2023-016	2023
93.575	Child Care and Development Block Grant	Human Services	Subrecipient Monitoring - Risk Assessment and Monitoring Procedures	2	2023-018	2023
93.575	Child Care and Development Block Grant	Human Services	Eligibility	2	2023-023	2023
93.575	COVID-19 – Child Care and Development Block Grant	Human Services	Noncompliance with reporting requirements	2	2021-018	2021
93.575	COVID-19 – Child Care and Development Block Grant	Human Services	Special Tests and Provisions - American Rescue Plan Act Stabilization Funds	1	2022-018	2022
93.575	COVID-19 – Child Care and Development Block Grant	Human Services	Reporting - Federal Funding Accountability and Transparency Act (FFATA)	2	2023-016	2023
93.575	COVID-19 – Child Care and Development Block Grant	Human Services	Subrecipient Monitoring - Risk Assessment and Monitoring Procedures	2	2023-018	2023
93.575	COVID-19 – Child Care and Development Block Grant	Human Services	Eligibility	2	2023-023	2023
93.575	COVID-19 – Child Care and Development Block Grant	Human Services	Special Tests and Provisions - American Rescue Plan Act Stabilization Funds	1	2023-024	2023
93.596	Child Care Mandatory and Matching Funds of the Child Care and Development Fund	Human Services	Noncompliance with eligibility requirements	2	2018-012	2018
93.596	Child Care Mandatory and Matching Funds of the Child Care and Development Fund	Human Services	Eligibility	2	2023-023	2023
93.640	Basic Health Program (Affordable Care Act)	Human Services	Activities Allowed or Unallowed, Allowable Costs/Cost Principles, and Eligibility	1	2023-025	2023
93.658	Foster Care Title IV-E	Human Services	Reporting - Federal Funding Accountability and Transparency Act (FFATA)	2	2022-011	2022
93.658	Foster Care Title IV-E	Human Services	Allowable Costs/Cost Principles - Allocation of Cost to Cost Centers Not Included in the Public Assistance Cost Allocation Plan	2	2022-012	2022
93.658	Foster Care Title IV-E	Human Services	Subrecipient Monitoring	2	2022-019	2022
93.658	Foster Care Title IV-E	Human Services	Allowable Costs/Cost Principles - Public Assistance Cost Allocation Plan Amendments	2	2023-015	2023
93.658	Foster Care Title IV-E	Human Services	Reporting - Federal Funding Accountability and Transparency Act (FFATA)	2	2023-016	2023
93.658	Foster Care Title IV-E	Human Services	Reporting - Title IV-E Programs Quarterly Financial Report (Form CB-496)	2	2023-017	2023
93.658	Foster Care Title IV-E	Human Services	Subrecipient Monitoring	2	2023-026	2023
93.658	COVID-19 - Foster Care Title IV-E	Human Services	Reporting - Federal Funding Accountability and Transparency Act (FFATA)	2	2022-011	2022
93.658	COVID-19 - Foster Care Title IV-E	Human Services	Subrecipient Monitoring	2	2022-019	2022
93.658	COVID-19 - Foster Care Title IV-E	Human Services	Reporting - Federal Funding Accountability and Transparency Act (FFATA)	2	2023-016	2023
93.658	COVID-19 - Foster Care Title IV-E	Human Services	Reporting - Title IV-E Programs Quarterly Financial Report (Form CB-496)	2	2023-017	2023
93.658	COVID-19 - Foster Care Title IV-E	Human Services	Subrecipient Monitoring	2	2023-026	2023
93.659	Adoption Assistance	Human Services	Allowable Costs/Cost Principles - Public Assistance Cost Allocation Plan Amendments	2	2023-015	2023
93.659	Adoption Assistance	Human Services	Reporting - Title IV-E Programs Quarterly Financial Report (Form CB-496)	2	2023-017	2023
93.659	Adoption Assistance	Human Services	Reporting - Form CB-496, Part 4	1	2023-027	2023
93.659	COVID-19 - Adoption Assistance	Human Services	Reporting - Title IV-E Programs Quarterly Financial Report (Form CB-496)	2	2023-017	2023
93.659	COVID-19 - Adoption Assistance	Human Services	Reporting - Form CB-496, Part 4	1	2023-027	2023
93.667	Social Services Block Grant	Human Services	Reporting - Federal Funding Accountability and Transparency Act (FFATA)	2	2023-016	2023
93.667	Social Services Block Grant	Human Services	Subrecipient Monitoring - Risk Assessment and Monitoring Procedures	2	2023-018	2023
93.767	Children's Health Insurance Program	Human Services	Reporting - Federal Funding Accountability and Transparency Act (FFATA)	2	2023-016	2023
93.767	Children's Health Insurance Program	Human Services	Special Tests and Provisions - MCO, PIHP, and PAHP Independent Audit	1	2023-019	2023
93.767	Children's Health Insurance Program	Human Services	Eligibility	2	2023-028	2023
93.767	COVID-19 - Children's Health Insurance Program	Human Services	Special Tests and Provisions - MCO, PIHP, and PAHP Independent Audit	1	2023-019	2023
93.767	COVID-19 - Children's Health Insurance Program	Human Services	Eligibility	2	2023-028	2023
93.778	Medical Assistance Program	Human Services	Noncompliance with eligibility requirements	1	2019-034	2019
93.778	Medical Assistance Program	Human Services	Noncompliance with reporting requirements	2	2021-018	2021
93.778	Medical Assistance Program	Human Services	Allowable Costs/Cost Principles - Allocation of Cost to Cost Centers Not Included in the Public Assistance Cost Allocation Plan	2	2022-012	2022
93.778	Medical Assistance Program	Human Services	Allowable Costs/Cost Principles - Public Assistance Cost Allocation Plan Amendments	2	2023-015	2023
93.778	Medical Assistance Program	Human Services	Reporting - Federal Funding Accountability and Transparency Act (FFATA)	2	2023-016	2023
93.778	Medical Assistance Program	Human Services	Special Tests and Provisions - MCO, PIHP, and PAHP Independent Audit	1	2023-019	2023
93.778	Medical Assistance Program	Human Services	Eligibility	1	2023-029	2023
93.778	Medical Assistance Program	Human Services	Special Tests and Provisions - Security Review of MMIS and MAXIS Information Systems	2	2023-030	2023
93.778	COVID-19 – Medical Assistance Program	Human Services	Special Tests and Provisions - MCO, PIHP, and PAHP Independent Audit	1	2023-019	2023
93.778	COVID-19 – Medical Assistance Program	Human Services	Eligibility	1	2023-029	2023
93.778	COVID-19 – Medical Assistance Program	Human Services	Special Tests and Provisions - Security Review of MMIS and MAXIS Information Systems	2	2023-030	2023
	U.S. Department of Homeland Security					
97.036	Disaster Grants - Public Assistance (Presidentially Declared Disasters)	Public Safety	Noncompliance with reporting requirements	2	2020-060	2020
97.036	Disaster Grants - Public Assistance (Presidentially Declared Disasters)	Public Safety	Noncompliance with reporting requirements	2	2021-021	2021
97.036	COVID-19 – Disaster Grants - Public Assistance (Presidentially Declared Disasters)	Public Safety	Noncompliance with reporting requirements	2	2021-021	2021

*CATEGORY OF CORRECTIVE ACTION TAKEN
1 - Findings have been fully corrected.
2 - Findings are not corrected or are only partially corrected.
3 - Corrective action taken was significantly different than previously reported.
4 - Audit findings are no longer valid or do not warrant further action.
For Categories 2 and 3, please refer to Summary Schedule of Prior Audit Findings for further details.

Representation of State of Minnesota

Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2024

Finding Number: 2023-001
Year of Origination: 2021 (Finding Number 2021-001)
Finding Title: Incorrect Expenditures and Amounts Provided to Subrecipients Reported on the Schedule of Expenditures of Federal Awards

Summary of Condition: The State of Minnesota did not properly identify the amount expended and reported, and the amount reported as provided to subrecipients, for a number of programs.

Summary of Corrective Action Previously Reported:

Minnesota Management and Budget:

The $230,000,000 subrecipient expenditure misclassification occurred as a result of staffing changes for the SEFA reporting. Staff that led SEFA reporting last year retired and the reporting transferred from the COVID-19 Response Accountability Office to Fiscal Services. During this transition, there was a misunderstanding of how to classify the UI trust fund repayment due to a difference in reporting from Treasury's portal and the SEFA, resulting in the subrecipient misclassification on the SEFA. Going forward, all remaining State Fiscal Recovery Fund expenditures will be reported in the expenditure category of provision of government services, which is not reported as subrecipient expenditures in the Treasury portal and also not allowed to be reported as subrecipients on the SEFA.

Discussions held with Department of Public Safety by Minnesota Management and Budget for the $1,132,000 decrease in expenditures determined the transaction to be unusual in nature and a unique circumstance where the Department of Public Safety did not receive the funds timely, which resulted in the transaction being recorded in fiscal year 2023 instead of the prior year. The Department of Public Safety has reviewed the ELM training modules Completing the Single Audit Report and Interagency Federal Subgrant Training provided by Minnesota Management and Budget. The Department of Public Safety has drafted an internal operating procedure for Single Audit reporting and will implement additional review procedures to ensure that only current year activity is included in the Schedule of Expenditures of Federal Awards.

Status: Fully Corrected. Corrective action was taken.

Minnesota Department of Health:

The Department of Health (MDH) has already begun to train its staff and will expand its training of staff on the full Schedule of Expenditures of Federal Awards (SEFA) reporting process. In addition to training, MDH will implement more frequent monitoring of SEFA expenditures throughout the year, modify

procedures to the SEFA variance analysis worksheet to identify any significant changes to the SEFA, and add additional review to ensure that the SEFA is complete and accurate.

Status: Fully Corrected. Corrective action was taken.

Minnesota Department of Human Services:

There were several root causes of this audit finding so our planned corrective action will be multi-faceted.

1. The Department of Human Services (DHS) SEFA preparer now has a better understanding of the appropriate treatment of payments to Minnesota State as non-subrecipient payments given Minnesota State is a component unit of the State. We will add an additional step to our review of the Schedule of Expenditures of Federal Awards (SEFA) that includes running a query of payments to Minnesota State and adjusting any payments that are initially categorized as sub-recipient. We will also work with DHS Contracts & Legal Compliance on the preventative measure of using a non-subrecipient account code for contracts with Minnesota State.

2. Several errors were due to miscoded transactions between the three IV-E federal programs: Adoption Assistance, Guardianship Assistance, and Foster Care. The SEFA preparer is reliant on the accuracy of the funding source and related federal award when transactions are initially entered. The Financial Operations Division has asked for an internal auditor to be assigned to conduct a consulting engagement and recommend additional internal controls we can put in place to improve the accuracy of the CB-496 and IV-E sections of the SEFA. The results of that engagement will give us a better idea of the work that needs to happen upstream to improve SEFA reporting.

3. The SEFA preparer is reliant on the accuracy of the account code that is attached to expenditures when they are made. The Financial Operations Division will work with staff that select the account code for payments to daycare providers funded by the Child Care Development Block Grant on the preventative measure of using a non-subrecipient account code for these payments. The Financial Operations Division will continue to work with Contracts & Legal Compliance on emphasizing the different between subrecipient, contractor, and beneficiary and the importance of coding payments appropriately.

4. We acknowledge that there were several errors due to accruals being recorded twice or accruals being reversed twice. At this point, we don't know the root cause of these errors so our next step will be to determine why these errors happened and what internal controls we can put in place to prevent them from happening again.

5. The DHS SEFA preparer now has a better understanding of how to present expenditures when DHS grants or remits federal funds to another state agency, mainly the need to report other agencies' sub-recipient payments on DHS's schedule as sub-recipient payments and other agencies' non-subrecipient payments as non-subrecipient payments. Due to the lack of access DHS has to other state agencies' accounting records, we will ask subrecipient agencies to provide detailed reports of their expenditures to ensure expenditures are categorized and presented correctly.

Status: Fully Corrected. Corrective action was taken.

Minnesota Department of Natural Resources

- Insert instructions within the Minnesota Department of Natural Resources' (DNR's) Office of Management and Budget Services' (OMBS's) procedure for compiling the federal single audit. These instructions will direct that Payment in Lieu of Tax (PILT) entries should not include an account code that indicates a subrecipient. These instructions will further direct that OMBS will review with the Fish and Wildlife (FAW) Division's Federal Assistance Coordinator when a subrecipient account code is indicated.
- Insert a step in OMBS's federal single audit procedure to have the FAW Division's Federal Assistance Coordinator review journal entries related to ALN 15.605/605R; 15.611/611R; and 15.626 before the adjustments are sent to Minnesota Management and Budget. This additional step to existing OMBS review will ensure that both the OMBS Budget Analyst and the FAW Federal Assistance Coordinator have reviewed the information and proposed adjustments, decreasing the already small risk that errors of this nature will occur in the future.

Status: Fully Corrected. Corrective action was taken.

Finding Number: 2023-002
Year of Finding Origination: 2023
Finding Title: Reporting – Federal Funding Accountability and Transparency Act (FFATA)
Program: Low-Income Home Energy Assistance (Assistance Listing No. 93.568)
COVID-19 – Low-Income Home Energy Assistance (Assistance Listing No. 93.568)
State Agency: Minnesota Department of Commerce

Summary of Condition: One of the three monthly FFATA reports tested was submitted by the Minnesota Department of Commerce using an incorrect Federal Award Identification Number (FAIN), Project Description, Federal Funding Amount, and Obligation/Action Date. Additionally, there was no documented review of this report by someone independent of the preparer.

Summary of Corrective Action Previously Reported: Commerce will incorporate an additional staff member review to ensure reporting accuracy.

Status: Fully Corrected. Corrective action was taken.

Finding Number: 2023-003
Year of Origination: 2023
Finding Title: Subrecipient Monitoring – Risk Assessment
Program: School Breakfast Program (Assistance Listing No. 10.553)
National School Lunch Program (Assistance Listing No. 10.555)
COVID-19 – National School Lunch Program (Assistance Listing No. 10.555)
Special Milk Program for Children (Assistance Listing No. 10.556)
Summer Food Service Program for Children (Assistance Listing No. 10.559)
Fresh Fruit and Vegetable Program (Assistance Listing No. 10.582)
Child and Adult Care Food Program (Assistance Listing No. 10.558)
State Agency: Minnesota Department of Education

Summary of Condition: The Minnesota Department of Education did not document risk assessment procedures performed over its subrecipients.

Summary of Corrective Action Previously Reported: The Minnesota Department of Education (MDE) – Nutrition Program Services will develop and implement procedures for completing risk assessments and monitoring including risk criteria to be used for federal programs passed through to subrecipients. The monitoring procedures will include MDE's oversight of the risk assessment process.

Status: Not Corrected. The NPS division has a plan on how to implement risk assessments using the application reports out of the Cyber-Linked Interactive Child Nutrition System (CLiCS) system. The risk assessments will be conducted in line with the beginning of the program application year. Summer Food Service Program (SFSP) applications are due June 15, School Nutrition Programs (SNP) and Milk applications have no set due date as schools can apply at any time but the expected timeframe for applications is September 30, and Child and Adult Care Food Program (CACFP) applications are also accepted at any time with an expected timeframe of October 30.

Finding Number: 2023-004
Year of Origination: 2023
Finding Title: Subrecipient Monitoring – Timely Issuance of Management Decision
Program: School Breakfast Program (Assistance Listing No. 10.553)
National School Lunch Program (Assistance Listing No. 10.555)
COVID-19 – National School Lunch Program (Assistance Listing No. 10.555)
Special Milk Program for Children (Assistance Listing No. 10.556)
Summer Food Service Program for Children (Assistance Listing No. 10.559)
Fresh Fruit and Vegetable Program (Assistance Listing No. 10.582)
Child and Adult Care Food Program (Assistance Listing No. 10.558)
State Agency: Minnesota Department of Education

Summary of Condition: Of the nine subrecipients with single audit findings that were selected for testing from the various Minnesota Department of Education-administered federal programs, two did not have management decision letters issued by the Minnesota Department of Education within six months of acceptance by the Federal Audit Clearinghouse. Additionally, one subrecipient did not submit a single audit report to the Minnesota Department of Education until nine months after their single audit reporting deadline, and the Minnesota Department of Education did not perform follow-up procedures, such as sending a late notice.

Summary of Corrective Action Previously Reported: Nutrition Program Services will ensure management decision letters are issued timely by implementing monthly audit check-ins with the team who completes these.

Status: Fully Corrected related to the Child Nutrition Cluster (Assistance Listing Nos. 10.553, 10.555 10.556, 10.559, 10.582) Corrective action was taken.

Status: Not Corrected related to the Child and Adult Care Food Program (Assistance Listing No. 10.558). Nutrition Program Services (NPS) will issue management decision letters within the six month timeframe. We have monthly meetings setup to check on management decision letter progress and address any issues that may require late notices or further action. Additionally, we have meetings with upper management every 8 weeks to check on progress.

Finding Number: 2023-005
Year of Origination: 2022 (Finding Number 2022-009)
Finding Title: Subrecipient Monitoring – Subrecipient Audit Reports for Non-Local Educational Agencies (LEAs)
Program: School Breakfast Program (Assistance Listing No. 10.553)
National School Lunch Program (Assistance Listing No. 10.555)
COVID-19 – National School Lunch Program (Assistance Listing No. 10.555)
Special Milk Program for Children (Assistance Listing No. 10.556)
Summer Food Service Program for Children (Assistance Listing No. 10.559)
Fresh Fruit and Vegetable Program (Assistance Listing No. 10.582)
Child and Adult Care Food Program (Assistance Listing No. 10.558)
COVID-19 – Governor's Emergency Education Relief (GEER) Fund (Assistance Listing No. 84.425C)
State Agency: Minnesota Department of Education

Summary of Condition: The Minnesota Department of Education did not review single audit reports for two non-LEAs where the Minnesota Department of Education is the cognizant state agency. Additionally, for non-LEAs where the Minnesota Department of Education was not the cognizant state agency, 17 single audit reports were not reviewed in a timely manner, and for ten single audit reports, no review was performed. Without reviewing single audit reports, the Minnesota Department of Education could not issue management decision letters when necessary.

Summary of Corrective Action Previously Reported: Nutrition Program Services will ensure management decision letters are issued in a timely manner by implementing monthly audit check-ins with the team who completes these. MDE will develop procedures to ensure proper action is taken when single audits are not performed or provided by subrecipients.

Status: Not Corrected. Nutrition Program Services (NPS) has monthly meetings setup to review the cognizant and non-cognizant lists that need to be completed. We will check on progress, ensure upcoming deadlines are met, and address issues with organizations that file late or not at all. Additionally, we have meetings with upper management every 8 weeks to check on progress.

Finding Number: 2023-006
Year of Origination: 2023
Finding Title: Reporting – Financial Reporting on FNS-777
Program: School Breakfast Program (Assistance Listing No. 10.553)
National School Lunch Program (Assistance Listing No. 10.555)
COVID-19 – National School Lunch Program (Assistance Listing No. 10.555)
Special Milk Program for Children (Assistance Listing No. 10.556)
Summer Food Service Program for Children (Assistance Listing No. 10.559)
State Agency: Minnesota Department of Education

Summary of Condition: For the two quarterly FNS-777 reports and one annual FNS-777 report selected for testing, the Minnesota Department of Education did not retain copies of the original data from the SWIFT system used to support the amounts reported.

Summary of Corrective Action Previously Reported: MDE will retain copies of the original data from the SWIFT system used to support the amounts reported to FNS in the Financial Status Report (FNS–777) for the use of program funds for the National School Lunch Program, School Breakfast Program, Special Milk Program for Children, and Summer Food Service Program for Children.

Status: Partially Corrected. MDE will fully implement the new process to retain copies of the original data from the SWIFT system used to support the amounts reported to FNS in the Financial Status Report (FNS–777) for the use of program funds for the National School Lunch Program, School Breakfast Program, Special Milk Program for Children, and Summer Food Service Program for Children.

Finding Number: 2023-007
Year of Origination: 2023
Finding Title: Reporting – Summer Food Sponsor and Site Data
Program: Summer Food Service Program for Children (Assistance Listing No. 10.559)
State Agency: Minnesota Department of Education

Summary of Condition: The Minnesota Department of Education did not retain documentation of the information submitted nor confirmation that the data was submitted.

Summary of Corrective Action Previously Reported: MDE will retain copies of the original Summer Food Sponsor data that it submits to the USDA for the Summer Food Service Program for Children.

Status: Fully Corrected. Corrective action was taken.

Finding Number: 2023-008
Year of Origination: 2023
Finding Title: Reporting – Federal Funding Accountability and Transparency Act (FFATA)
Program: School Breakfast Program (Assistance Listing No. 10.553)
National School Lunch Program (Assistance Listing No. 10.555)
COVID-19 – National School Lunch Program (Assistance Listing No. 10.555)
Special Milk Program for Children (Assistance Listing No. 10.556)
Summer Food Service Program for Children (Assistance Listing No. 10.559)
Fresh Fruit and Vegetable Program (Assistance Listing No. 10.582)
State Agency: Minnesota Department of Education

Summary of Condition: The Minnesota Department of Education has not submitted subaward information in the FSRS for the Child Nutrition Cluster.

Summary of Corrective Action Previously Reported: MDE will complete and submit reports for subaward information in the FFATA Subaward Reporting System (FSRS) for the Child Nutrition Cluster starting in fiscal year 2024.

Status: Not Corrected. MDE will complete and submit reports for subaward information in the FFATA Subaward Reporting System (FSRS) for the Child Nutrition Cluster starting in fiscal year 2025.

Finding Number: 2023-009
Year of Origination: 2023
Finding Title: Special Tests and Provisions – Noncompliance with Physical Inventory Requirement
Program: School Breakfast Program (Assistance Listing No. 10.553)
National School Lunch Program (Assistance Listing No. 10.555)
Special Milk Program for Children (Assistance Listing No. 10.556)
Summer Food Service Program for Children (Assistance Listing No. 10.559)
Fresh Fruit and Vegetable Program (Assistance Listing No. 10.582)
State Agency: Minnesota Department of Education

Summary of Condition: The Minnesota Department of Education did not conduct a physical count of the donated food stored at the contracted warehouse, nor did they reconcile physical and book inventory of donated foods.

Summary of Corrective Action Previously Reported: Nutrition Program Services has already implemented this change. Although the audit looked at the SFY23 timeframe, in December 2023 the School Nutrition Business Supervisor who oversees USDA Food Distribution Program implemented a mid-year physical inventory and warehouse inspection. The division will incorporate this into the workplan for ongoing implementation.

Status: Partially Corrected. In SFY24 the School Nutrition Business Supervisor already had implemented a new practice to conduct more frequent physical inventory checks throughout the year. In SFY24, the USDA Foods team visited the Wissota Warehouse on 12/11/2023, and a second visit on 06/20/2024. The USDA Foods team has implemented multiple warehouse visits as a standard practice going forward.

Finding Number: 2023-010
Year of Origination: 2022 (Finding Number 2022-007)
Finding Title: Level of Effort
Program: COVID-19 – American Rescue Plan – Elementary and Secondary School Emergency Relief (ARP ESSER) (Assistance Listing No. 84.425U)
State Agency: Minnesota Department of Education

Summary of Condition: State support was not maintained for elementary and secondary education nor higher education in fiscal year 2023 at the proportional level of the state's support averaged over fiscal years 2017 through 2019.

Summary of Corrective Action Previously Reported: Minnesota sought a waiver of the ARP's Maintenance of Effort requirement for FY 2023 for E-12 Education and Higher Education. We do not know when the U.S. Department of Education will decide, but the U.S. Department of Education approved Minnesota's FY 2022 waiver request in November 2023.

Status: Fully Corrected. Corrective action was taken.

Finding Number: 2023-011
Year of Origination: 2023
Finding Title: Reporting – Federal Funding Accountability and Transparency Act (FFATA)
Program: COVID-19 – American Rescue Plan – Elementary and Secondary School Emergency Relief (ARP ESSER) (Assistance Listing No. 84.425U)
State Agency: Minnesota Department of Education

Summary of Condition: From the 40 subrecipients selected for testing, the auditor tested a total of 99 subawards. Of the subawards tested, 13 subawards, from 11 of the subrecipients, were not submitted in the FSRS.

Transactions Tested	Subaward not reported
99	13
Dollar Amount of Tested Transactions	**Subaward not reported**
$ 164,066,466	$ 13,678,714

Summary of Corrective Action Previously Reported: MDE will complete and submit reports in the FFATA Subaward Reporting System for the missing thirteen subawards. Additionally, MDE will complete FFATA requirements for the current year and future years, as needed.

Status: Fully Corrected. Corrective action was taken.

Finding Number: 2023-012
Year of Origination: 2023
Finding Title: Procurement, Suspension, and Debarment – Suspension and Debarment
Program: COVID-19 – Coronavirus State and Local Fiscal Recovery Funds (Assistance Listing No. 21.027)
State Agency: Minnesota Management and Budget and Minnesota Department of Education

Summary of Condition: For four of the 25 covered transactions tested at the Minnesota Department of Education, documentation was not retained to support that the vendor was not debarred, suspended, or otherwise excluded from participation in federal assistance programs or activities.

Summary of Corrective Action Previously Reported: MDE will verify that entities were not debarred, suspended, or otherwise excluded from participation in federal assistance programs or activities and retain this documentation. MDE is implementing a new grants management software system that will require this verification by grants staff or require self-certification by awardees and retain this information.

Status: Fully Corrected. Corrective action was taken.

Finding Number: 2023-013
Year of Origination: 2023
Finding Title: Cash Management – Amounts Provided to Subrecipients
Program: Immunization Cooperative Agreements (Assistance Listing No. 93.268)
COVID-19 – Immunization Cooperative Agreements (Assistance Listing No. 93.268)
State Agency: Minnesota Department of Health

Summary of Condition: During the testing of amounts provided to subrecipients for compliance with federal cash management requirements, three of the 41 payments tested were not paid within 30 days following receipt of the invoice.

Summary of Corrective Action Previously Reported: The department will ensure staff enter invoices based upon the approval date rather than creation date to ensure payments are made in accordance with federal cash management regulations and Minnesota Management and Budget's policy.

Status: Fully Corrected. Financial management worked with program staff to add a date field to the invoice worksheet to ensure finance is capturing the appropriate date to meet the 30-day prompt pay period. This has since been fully corrected.

Finding Number: 2023-014
Year of Origination: 2023
Finding Title: Reporting – Federal Funding Accountability and Transparency Act (FFATA)
Program: Immunization Cooperative Agreements (Assistance Listing No. 93.268)
COVID-19 – Immunization Cooperative Agreements (Assistance Listing No. 93.268)
State Agency: Minnesota Department of Health

Summary of Condition: The Minnesota Department of Health has not submitted required FFATA reports.

Summary of Corrective Action Previously Reported: The department has identified FFATA reporting requirements and is working to document and implement a centralized process.

Status: Not Corrected. A new position has been created and is in progress to be hired. A project is in place to establish a FFATA reporting process, and the pilot test of new procedures is expected to begin in December 2024.

Finding Number: 2023-015
Year of Origination: 2022 (Finding Number 2022-012)
Finding Title: Allowable Costs/Cost Principles – Public Assistance Cost Allocation Plan Amendments
Program: Foster Care Title IV-E (Assistance Listing No. 93.658)
Adoption Assistance (Assistance Listing No. 93.659)
Medical Assistance Program (Assistance Listing No. 93.778)
State Agency: Minnesota Department of Human Services

Summary of Condition: One cost center included in the Central Office Cost Allocation System (COCAS) was not listed in the Public Assistance Cost Allocation Plan (PACAP) amendments, resulting in the State of Minnesota being reimbursed for costs from a cost center not included in the PACAP.

Summary of Corrective Action Previously Reported: While this error did not result in the Department of Human Services inaccurately calculating or inappropriately charging costs to any federal awards, we acknowledge that an error of this nature has the potential to have that effect. As identified by the auditors, the root cause of this error was a failure to inactivate a cost center in our IT system. We will implement an additional control that compares the active cost centers in our written cost allocation plan to the active cost centers in our IT system and ensure there is alignment.

Status: Not Corrected. We will implement an additional control that compares the active cost centers in our written cost allocation plan to the active cost centers in our IT system and ensure there is alignment.

Finding Number: 2023-016
Year of Origination: 2021 (Finding Number 2021-018) and 2022 for Assistance Listing No. 93.658 (Finding Number 2022-011)
Finding Title: Reporting – Federal Funding Accountability and Transparency Act (FFATA)
Program: Temporary Assistance for Needy Families (Assistance Listing No. 93.558)
Child Care and Development Block Grant (Assistance Listing No. 93.575)
COVID-19 – Child Care and Development Block Grant (Assistance Listing No. 93.575)
Foster Care Title IV-E (Assistance Listing No. 93.658)
COVID-19 – Foster Care Title IV-E (Assistance Listing No. 93.658)
Social Services Block Grant (Assistance Listing No. 93.667)
Children's Health Insurance Program (Assistance Listing No. 93.767)
Medical Assistance Program (Assistance Listing No. 93.778)
State Agency: Minnesota Department of Human Services

Summary of Condition: The Minnesota Department of Human Services has not submitted required FFATA reports since April 2020.

Summary of Corrective Action Previously Reported: We acknowledge that this is a long-standing repeat audit finding. We have previously not had the staff resources to tackle this issue which requires coordination across the agency to develop a process to systematically collect, store, and report the required FFATA data elements. That limitation has recently changed.

The Financial Operations Division (FOD) will work with the federal government to submit catch up FFATA files for May 2020 through September 2024 in the Federal Funding Accountability and Transparency Act Subaward Reporting System by October 31, 2024. Technical errors will be resolved and resubmitted by November 30, 2024.

FOD will implement procedures to begin required monthly report submissions by December 31, 2024. Technical errors resulting in rejection from the FSRS system will be resolved and resubmitted no later than the next month's submission.

Status: Not Corrected. FOD will implement procedures to begin required monthly report submissions and technical errors resulting in rejection from the FSRS system will be resolved and resubmitted.

Finding Number: 2023-017
Year of Origination: 2023
Finding Title: Reporting – Title IV-E Programs Quarterly Financial Report (Form CB-496)
Program: Foster Care Title IV-E (Assistance Listing No. 93.658)
COVID-19 – Foster Care Title IV-E (Assistance Listing No. 93.658)
Adoption Assistance (Assistance Listing No. 93.659)
COVID-19 – Adoption Assistance (Assistance Listing No. 93.659)
State Agency: Minnesota Department of Human Services

Summary of Condition: The following was identified during review of Form CB-496 reports:

- Reported Foster Care in-placement administrative costs were understated in one quarter with a portion of eligible county agency costs omitted. The reported claim amount was understated by $913,222, with a federal share of $456,611;

- Reported Adoption Assistance payments were understated in three quarters with a portion attributed to a temporary supplemental rate increase which was omitted. For the year, the reported claim amounts were understated by $7,195,626, with a federal share of $4,014,440;

- Reported Adoption Assistance administrative costs were understated in three quarters with two central office cost allocation programs omitted. For the year, the reported claim amounts were understated by $1,877,616, with a federal share of $938,808; and

- The methodology used to allocate Title IV-E-related county agency administrative costs between Foster Care and Adoption Assistance on the Form CB-496 reports was not applied consistently and did not result in an equitable distribution reflective of the individual program activities. For the year, the reported amount for these costs across both programs was $59,821,004, with $37,836,640 allocated to Foster Care and $21,984,364 allocated to Adoption Assistance. The reported federal share of these costs totaled $30,009,845, with $18,977,549 allocated to Foster Care and $11,032,296 allocated to Adoption Assistance.

Summary of Corrective Action Previously Reported: The Financial Operations Divisions acknowledges that our internal controls over accounting for and reporting on the Title IV-E programs are deficient. We've experienced significant turnover with the team that is responsible for supporting these federal programs and we are actively working on rebuilding our knowledge and expertise. To help us with that effort, we've asked for an internal auditor to be assigned to conduct a consulting engagement and recommend additional internal controls we can put in place to improve the accuracy of the CB-496. The results of the engagement will give us a better idea of the work that needs to happen to resolve this audit finding and prevent similar errors from happening in the future. Part of that work will include documenting our processes to mitigate the risk of knowledge loss from future turnover.

Status: Not Corrected. Incoming Department of Children, Youth and Families (DCYF) financial leadership is working through a process of analyzing past activities, documenting a DCYF procedure for filing reports, and reconciling past reports.

Finding Number: 2023-018
Year of Origination: 2021 (Finding Number 2021-014)
Finding Title: Subrecipient Monitoring – Risk Assessment and Monitoring Procedures
Program: State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (Assistance Listing No. 10.561)
Temporary Assistance for Needy Families (Assistance Listing No. 93.558)
Child Care and Development Block Grant (Assistance Listing No. 93.575)
COVID-19 – Child Care and Development Block Grant (Assistance Listing No. 93.575)
Social Services Block Grant (Assistance Listing No. 93.667)
State Agency: Minnesota Department of Human Services

Summary of Condition: The following exceptions were noted in the sample tested for subrecipient monitoring:

- The Minnesota Department of Human Services does not perform formal risk assessments on subrecipients or document the response to risk assessments for State Administrative Matching Grants for the Supplemental Nutrition Assistance Program, Temporary Assistance for Needy Families, Child Care and Development Block Grant, and Social Services Block Grant;

- The Minnesota Department of Health did not perform a formal risk assessment or monitoring procedures on one of the subrecipients tested for Temporary Assistance for Needy Families; and

- The Minnesota Department of Health did not review a single audit report of a subrecipient who submitted their single audit to the Federal Audit Clearinghouse after the single audit deadline.

Summary of Corrective Action Previously Reported: The department will continue documenting existing risk management and monitoring practices related to our subrecipients, such as mandatory training and program case file eligibility reviews, and work to formalize a framework that aligns with 2 CFR Section 200.332. We will also review award information provided to these subrecipients and add applicable information as required.

Status: Not Corrected. The Department of Children, Youth and Families (DCYF) will continue documenting existing risk management and monitoring practices related to our subrecipients. DCYF will formalize a framework per administration in the 2025 calendar year. We will also review award information provided to these subrecipients and add applicable information as required.

Finding Number: 2023-019
Year of Origination: 2023
Finding Title: Special Tests and Provisions – MCO, PIHP, and PAHP Independent Audit
Program: Children's Health Insurance Program (Assistance Listing No. 93.767)
COVID-19 – Children's Health Insurance Program (Assistance Listing No. 93.767)
Medical Assistance Program (Assistance Listing No. 93.778)
COVID-19 – Medical Assistance Program (Assistance Listing No. 93.778)
State Agency: Minnesota Department of Human Services

Summary of Condition: The Minnesota Department of Human Services has not conducted, or contracted for, an independent audit of the accuracy, truthfulness, and completeness of the encounter and financial data submitted by or on behalf of each MCO, PIHP, and PAHP and posted the results of these audits on its website.

Summary of Corrective Action Previously Reported: We have identified IPRO, our External Quality Review Organization who performs other similar activities required under the same federal regulation, to conduct encounter data audit and validation on behalf of the Department of Human Services using the recommended activities published by Centers for Medicare and Medicaid Services in September 2023.

Status: Fully Corrected. Corrective action was taken.

Finding Number: 2023-020
Year of Origination: 2023
Finding Title: Special Tests and Provisions – Security Review of MAXIS Information System
Program: Supplemental Nutrition Assistance Program (Assistance Listing No. 10.551)
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (Assistance Listing No. 10.561)
COVID-19 – State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (Assistance Listing No. 10.561)
State Agency: Minnesota Department of Human Services

Summary of Condition: The Minnesota Department of Human Services maintains the computer system, MAXIS, which is used by local agencies to support the eligibility determination process. The Minnesota Department of Human Services, working with Minnesota Information Technology Services (MNIT), did not complete a recent information system security review of the MAXIS application and environment, which helps identify new, and validate any existing, risks and vulnerabilities.

Summary of Corrective Action Previously Reported: The MAXIS System Security Plan/Risk Assessment documentation is under final review. It is targeted to be finalized and certified by the anticipated completion date.

Status: Fully Corrected. Corrective action was taken.

Finding Number: 2023-021
Year of Origination: 2014 (Finding Number 2014-023)
Finding Title: Eligibility
Program: Temporary Assistance for Needy Families (Assistance Listing No. 93.558)
State Agency: Minnesota Department of Human Services

Summary of Condition: The Minnesota Department of Human Services maintains the computer system, MAXIS, which is used by local counties to support the eligibility determination process. The sample of cases reviewed by the Minnesota Department of Human Services Office of Internal Control and Accountability noted not all documentation was available, updated, or input correctly to support participant eligibility. The identified errors noted clients received benefits for incorrect amounts (over and under issuance of benefits) as well as benefits that should not have been paid due to case file information being incorrect, not updated, or not received to process eligibility for the benefit month.

Summary of Corrective Action Previously Reported: The MAXIS system is designed to depend on frontline workers to update eligibility information during renewals and recertifications. TANF Leadership will work with MNIT to look at systems updates that can be implemented that will prompt staff to request updated information on expired documentation. The Department of Human Services (DHS) will also continue to work with counties to improve controls through county case file eligibility reviews. DHS

will continue to provide eligibility findings from case reviews during monthly and quarterly meeting. Internal audits and TANF program staff will continue to meet with county leadership and frontline staff to provide trainings based on eligibility findings.

Status: Not Corrected. Department of Children, Youth and Families (DCYF) conducts all TANF eligibility audits, and requests corrective action(s) from counties when appropriate pursuant to its state plan requirements and the CFR. The TANF eligibility error rate remains high for a variety of reasons cited in this repeat finding. TANF Leadership at DCYF will create a framework of enhanced collaboration and county training in this calendar year in an effort to reduce TANF error rates. MAXIS improvement will also be discussed but will be dependent on MNIT resources and prioritization.

Finding Number: 2023-022
Year of Origination: 2015 (Finding Number 2015-013)
Finding Title: Special Test and Provisions – Child Support Non-Cooperation
Program: Temporary Assistance for Needy Families (Assistance Listing No. 93.558)
State Agency: Minnesota Department of Human Services

Summary of Condition: The Minnesota Department of Human Services maintains the computer system, MAXIS, which is used by local counties to support the eligibility determination process. Part of eligibility is cooperating with child support requirements. Counties must reduce benefits when a case is in non-cooperation status per the child support agency. In a sample of 40 cases tested, 13 cases had identified errors related to improper reduction of benefits or improper timing of reduced benefits for cases in non-cooperation status.

Summary of Corrective Action Previously Reported: The Department of Human Services (DHS) has procedures in place to ensure cooperation with the child support enforcement requirements. Human error is expected but could be mitigated with a particular change to MAXIS. DHS will continue asking MNIT to assign resources to make this system change but cannot predict their timeline for doing so.

DHS will continue to train County agencies on addressing and imposing Child Support sanctions. TANF policy staff continue to track monthly compliance of child support sanctions. Additionally, TANF policy staff will meet with leadership and frontline staff of those counties that appear on monthly sanction reports to review sanction policy timelines.

Status: Not Corrected. The TANF policy area continues to track statewide child support sanctions. Monthly reports are posted to the SIR platform for review by county staff. TANF staff have not seen an increase in failure to timely impose sanctions on these cases. A request to make CS DAILs in MAXIS undeletable has not been prioritized due to lack of MNIT resources. In the next calendar year, DCYF will convene related parties to determine what additional training and policy improvements could be made, if any, to reduce this error rate.

Finding Number: 2023-023
Year of Origination: 2018 (Finding Number 2018-012)
Finding Title: Eligibility
Program: Child Care and Development Block Grant (Assistance Listing No. 93.575)
COVID-19 – Child Care and Development Block Grant (Assistance Listing No. 93.575)
Child Care Mandatory and Matching Funds of the Child Care and Development Fund (Assistance Listing No. 93.596)
State Agency: Minnesota Department of Human Services

Summary of Condition: The Minnesota Department of Human Services maintains the computer system, MEC2, which is used by local counties to support the eligibility determination process. The sample of the cases reviewed by the Minnesota Department of Human Services Office of Internal Control and Accountability noted not all documentation was available, updated, or input correctly to support participant eligibility.

The identified errors noted clients received benefits for incorrect amounts as well as benefits that should not have been paid due to case file information being incorrect, not updated, or not received to process eligibility for the benefit month.

Summary of Corrective Action Previously Reported: The Department of Human Services (DHS) will continue to review and update tools available to Child Care Assistance Program (CCAP) agencies, focusing on correct methods for calculating income, copayments, and authorized hours. Additionally, DHS will ensure that education and training target these error prone areas.

DHS will continue to provide technical assistance to agency workers through the Policy Quest portal and through the eligibility review process, using these opportunities to reinforce correct application of policy. DHS will continue to emphasize the importance of county case accuracy review processes that target primary areas of concern. All CCAP agencies will continue to be required to complete these reviews.

DHS gathered input from local agencies on how to reduce data entry errors. System and process changes are being reviewed and will be implemented as resources are available. DHS will continue to request system prompts that have the potential to reduce human error in calculating eligibility.

Status: Not Corrected. The Department of Children, Youth and Families will continue to review and update tools available to Child Care Assistance Program (CCAP) agencies, focusing on correct methods for calculating income, copayments, and authorized hours. Additionally, the agency will be developing an updated approach to outreach and training with the counties, ensuring even more efforts to tie policy area changes to repetitive error rates found in the audits department.

Finding Number: 2023-024
Year of Origination: 2022 (Finding Number 2022-018)
Finding Title: Special Tests and Provisions – American Rescue Plan Act Stabilization Funds
Program: COVID-19 – Child Care and Development Block Grant (Assistance Listing No. 93.575)
State Agency: Minnesota Department of Human Services

Summary of Condition: In a sample of 40 ARPA stabilization payments tested, 31 payments were made to providers whose application did not include the certifications that the child care provider will provide relief from copayments and tuition payments.

Summary of Corrective Action Previously Reported: The Child Development Services Unit has already completed work to address this finding: we have amended the application for Child Care Stabilization Base Grants to include language requiring providers to provide relief from co-payments and tuition payments for the families enrolled in the provider's program, to the extent possible, and prioritize such relief for families struggling to make either type of payment. We have also updated our program's Frequently Asked Questions webpage to clarify this requirement.

Status: Fully Corrected. Corrective action was taken.

Finding Number: 2023-025
Year of Origination: 2023
Finding Title: Activities Allowed or Unallowed, Allowable Costs/Cost Principles, and Eligibility
Program: Basic Health Program (Affordable Care Act) (Assistance Listing No. 93.640)
State Agency: Minnesota Department of Human Services

Summary of Condition: The Minnesota Department of Human Services maintains the computer system, METS, which is used to support the eligibility determination process. Eligibility was not accurately determined, and capitation payments were made to managed care organizations for enrollees who were not eligible for Minnesota's Basic Health Program, MinnesotaCare, or were not eligible for the program category for which their capitation payment was made.

Summary of Corrective Action Previously Reported: The Department of Human Services (DHS) will remind workers to double check relationships at renewal to assure the household projected annual income is correctly calculated.

DHS will determine the root cause of the errors for the incorrect payment category for which the capitation payment was made. If the source of errors are system errors that improperly put MinnesotaCare enrollees into the incorrect managed care capitation group, DHS will request an update to Minnesota Eligibility Technology System (METS) system functionality. If the source of the errors are worker errors, DHS will work with counties to improve controls.

Status: Fully Corrected. Corrective action was taken.

Finding Number: 2023-026
Year of Origination: 2022 (Finding Number 2022-019)
Finding Title: Subrecipient Monitoring
Program: Foster Care Title IV-E (Assistance Listing No. 93.658)
COVID-19 – Foster Care Title IV-E (Assistance Listing No. 93.658)
State Agency: Minnesota Department of Human Services

Summary of Condition: The Minnesota Department of Human Services did not perform risk assessments or perform adequate monitoring procedures on its subrecipients. In addition, the Minnesota Department of Human Services did not have agreements with its county and tribal agency subrecipients to communicate the terms and conditions of the Foster Care Title IV-E grant.

Summary of Corrective Action Previously Reported: The department will continue documenting existing risk management and monitoring practices related to our subrecipients and work to formalize a framework that aligns with 2 CFR Section 200.332. We will also review award information provided to these subrecipients and add applicable information as required.

We conduct monitoring of cases annually (calendar year) of foster care maintenance payment eligibility in counties and tribes that have received Title IV-E federal reimbursement for foster care maintenance payments. The department will document our process for assessment of risk that includes reviewing components of federal Title IV-E compliance, including eligibility determination, compliance with safety requirements, and subsequent appropriateness of claiming. The department will examine how it communicates to subrecipients the federal fiscal and program requirements and make adjustments as needed to meet the recommendations of this finding.

Status: Not Corrected. The Department of Children, Youth and Families will be creating a framework for risk assessments of county subrecipients during the calendar year.

Finding Number: 2023-027
Year of Origination: 2023
Finding Title: Reporting – Form CB-496, Part 4
Program: Adoption Assistance (Assistance Listing No. 93.659)
COVID-19 – Adoption Assistance (Assistance Listing No. 93.659)
State Agency: Minnesota Department of Human Services

Summary of Condition: The Minnesota Department of Human Services did not submit Part 4 of Form CB-496 for federal fiscal year 2022 by the due date of October 30, 2022.

Summary of Corrective Action Previously Reported: To prevent the report from being delinquent in the future, the Title IV-E team has developed a calendar outlining when reports are due. Additionally, the staff have added calendar reminders to their outlook calendars and have taken notes on how to complete the report. The team will be drafting a Standard Operating Procedure (SOP) on how to complete the CB-496 Part 4.

Status: Fully Corrected. Corrective action was taken.

Finding Number: 2023-028
Year of Origination: 2023
Finding Title: Eligibility
Program: Children's Health Insurance Program (Assistance Listing No. 93.767)
COVID-19 – Children's Health Insurance Program (Assistance Listing No. 93.767)
State Agency: Minnesota Department of Human Services

Summary of Condition: The Minnesota Department of Human Services maintains the computer system, MAXIS, which is used by local agencies to support the eligibility determination process. The following exceptions were noted in a sample of 51 case files tested:

- One case file had the spouse's income entered under the recipient's income panel in error; and
- Four case files for pregnant women were not processed within the required 15 working days.

Summary of Corrective Action Previously Reported: The Department of Human Services (DHS) Program Integrity and Oversight Unit will present at the Health Care Eligibility Leadership meeting and issue a Program Integrity HINTS, a statewide email announcement saved on a web archive, reminding workers of application processing timelines.

The DHS Program Integrity and Oversight Unit completed a statewide presentation on February 14, 2024, covering the importance of data entry accuracy. The presentation is archived and available for county and tribal nation eligibility workers.

Status: Not Corrected. The state has made enhancements to both the training curriculum and quality initiatives. Together, these changes will assist in identifying errors early on and allow for immediate correction.

Additionally, DHS has observed a decrease of these types of errors because of a workgroup created in 2024 to oversee caseworker education. Through this workgroup, desk aides were created for county workers, to remind them of processing requirements and recommendations were sent to County agencies to conduct peer/supervisory reviews of data entry details, prior to approval, for accuracy purposes.

DHS will also continue to use Program Compliance & Audit outreach to county agencies to educate agencies on repeat errors.

Finding Number: 2023-029
Year of Origination: 2019 (Finding Number 2019-034)
Finding Title: Eligibility
Program: Medical Assistance Program (Assistance Listing No. 93.778)
COVID-19 – Medical Assistance Program (Assistance Listing No. 93.778)
State Agency: Minnesota Department of Human Services

Summary of Condition: The Minnesota Department of Human Services maintains the computer system, MAXIS, which is used by local agencies to support the eligibility determination process. In a sample of 60 case files tested, three were not updated to include the current asset information.

Summary of Corrective Action Previously Reported: The Minnesota Department of Human Services (DHS) will issue a bulletin outlining asset verification policies and issue related procedures. Statewide email announcements and statewide web presentations will be provided to county and tribal nation workers.

The DHS Program Integrity and Oversight Unit will issue a Program Integrity HINTS, a statewide email announcement saved on a web archive, reminding workers of asset verification policies and procedures.

Status: Fully Corrected. Corrective action was taken.

Finding Number: 2023-030
Year of Origination: 2023
Finding Title: Special Tests and Provisions – Security Review of MMIS and MAXIS Information Systems
Program: Medical Assistance Program (Assistance Listing No. 93.778)
COVID-19 – Medical Assistance Program (Assistance Listing No. 93.778)
State Agency: Minnesota Department of Human Services

Summary of Condition: The Minnesota Department of Human Services maintains the computer systems, MMIS and MAXIS, which are used to support the eligibility determination process. The Minnesota Department of Human Services, working with Minnesota Information Technology Services

(MNIT), did not complete recent information system security reviews of MMIS or MAXIS applications and environments, which help identify new, and validate any existing, risks and vulnerabilities.

Summary of Corrective Action Previously Reported: The MAXIS System Security Plan/Risk Assessment documentation is under final review. It is targeted to be finalized and certified by the anticipated completion date.

The MMIS System Security Plan/Risk Assessment has been started and is targeted to be finalized and certified by the anticipated completion date.

Status: Partially Corrected. The MAXIS System Security Plan/Risk Assessment has been completed for state fiscal year 2023. HS did not complete the state fiscal year 2024 MMIS System Security Plan/Risk Assessment by June 30, 2024. It has subsequently been completed. DHS is working with MNIT to improve the System Security Plan/Risk Assessment process to ensure timely completion.

Finding Number: 2023-031
Year of Origination: 2023
Finding Title: Reporting – Federal Funding Accountability and Transparency Act (FFATA)
Program: Crime Victim Assistance (Assistance Listing No. 16.575)
State Agency: Minnesota Department of Public Safety

Summary of Condition: In the sample selected for FFATA testing, it was noted for four subrecipient subawards that the information submitted in the FSRS could not be reconciled to the appropriate grant agreements. Additionally, no subaward information was submitted between May 2022 and November 2023.

Transactions Tested	Report not timely	Subaward amount incorrect
33	33	4
Dollar Amount of Tested Transactions	**Report not timely**	**Subaward amount incorrect**
$ 4,169,803	$ 4,169,803	$ 75,941

Summary of Corrective Action Previously Reported: The Department of Public Safety – Office of Justice Programs (DPS-OJP) will create a written FFATA procedure for ALN 16.575 funds to include documentation, entry protocol, timing of updates, and staff responsible. DPS-OJP will explore SWIFT reports that will aid in identifying instances where FFATA will need to be updated for more accurate and timely data reporting.

Status: Not Corrected. As of June 30, 2024, the corrective action plan was not implemented. OJP developed a FFATA reporting policy and procedures plan in August 2024, which was implemented by staff in October 2024. This audit finding was resolved in October 2024.

Finding Number: 2023-032
Year of Origination: 2023
Finding Title: Subrecipient Monitoring
Program: Crime Victim Assistance (Assistance Listing No. 16.575)
State Agency: Minnesota Department of Public Safety

Summary of Condition: Of the 11 subrecipients selected for testing, the following exceptions were noted:

- No documented evidence of a review being performed for two subrecipient audit reports;
- One subrecipient audit report was not reviewed until 37 days after the management decision deadline;
- One subrecipient audit report was reviewed; however, the date of review was not documented so timeliness could not be determined; and
- Two reviews of subrecipient reports did not result in the issuance of a management decision when federal program or cross-cutting findings were reported.

Summary of Corrective Action Previously Reported: DPS Grants Management Policy 3103 dated October 18, 2023, and the subsequent procedure places responsibility in individual DPS divisions for the issuance of management decision letters and related responses to grant-related audits. The procedure document details the process that will ensure adequate review of audited financial reports and issuance of management decisions, and final closure on corrective actions from subrecipient single audit report findings.

DPS-OJP will follow the OSA's recommendation to strengthen the procedures in place to ensure that all reviews of subrecipient audits are documented and the appropriate management decision letters are issued timely. DPS-OJP will work with DPS - Fiscal & Administrative Services to implement the OSA's recommendation to fortify current procedures for the division.

In addition, OJP is in the process of working with DPS - Human Resources to create a new position description to handle this responsibility for the division. Until that position is hired and on-boarded, Jennifer Leholm will be responsible to come into compliance with all outstanding audit reviews, management decisions, and audit remedies to date.

Status: Not Corrected. OJP has determined that subrecipient audit reviews require at least 2 staff positions to ensure full compliance with federal regulations and state policies and procedures. OJP hired 1 staff person in September 2024, with an additional staff person anticipated to be hired by December 31, 2025. OJP anticipates receiving authority in SFY26-27 biennium to use 5% to 10% of grant funding for grant administration. This authority would allow OJP to dedicate funds from the OJP base budget for this new position. With the additional staff person, OJP anticipates the correction action to resolve this audit finding could be completed by March 31, 2026.

Finding Number: 2023-033
Year of Origination: 2023
Finding Title: Special Tests and Provisions – Equal Employment Opportunity Program (EEOP)
Program: Crime Victim Assistance (Assistance Listing No. 16.575)
State Agency: Minnesota Department of Public Safety

Summary of Condition: The Minnesota Department of Public Safety's EEOP is missing the following specific elements:

- An analysis for the preceding fiscal year of seniority practices and provisions, upgrading and promotion procedures, transfer procedures (lateral or vertical), formal and informal training programs, and all recruitment and employment selection procedures;
- The number of (by race, sex, and national origin, if available):
  - disciplinary actions taken and types of sanctions imposed;
  - individuals applying for employment within the preceding fiscal year, applicants who were offered employment, and actually hired;
  - employees in each job category who made application for promotion or transfer within the preceding fiscal year and who were promoted or transferred; and
  - employees terminated within the preceding fiscal year which were voluntary and involuntary terminations; and
- Available community and area labor characteristics within the relevant geographic area including total population, workforce and existing unemployment by race, sex, and national origin.

Summary of Corrective Action Previously Reported: DPS is currently developing its Affirmative Action Plan for 2024-2026, which also captures equal employment opportunity data and information. DPS will include the following information in its 2024-2026 Affirmative Action Plan:

- an analysis for the preceding fiscal year of seniority practices and provisions, upgrading and promotion procedures, transfer procedures (lateral or vertical), and formal and informal training programs, and an analysis of all recruitment and employment selection procedures.
- the number of (by race, sex, and national origin, if available):
  - disciplinary actions taken and types of sanctions imposed;
  - individuals applying for employment within the preceding fiscal year, applicants who were offered employment, and actually hired;
  - employees in each job category who made application for promotion or transfer within the preceding fiscal year and who were promoted or transferred; and
  - employees terminated within the preceding fiscal year which were voluntary and involuntary terminations;

- available community and area labor characteristics within the relevant geographic area including total population, workforce and existing unemployment by race, sex and national original.

Status: Fully Corrected. Corrective action was taken.

Finding Number: 2022-002
Year of Finding Origination: 2022
Finding Title: Reporting
Program: 1332 State Innovation Waivers (Assistance Listing No. 93.423)
State Agency: Minnesota Department of Commerce

Summary of Condition: The Minnesota Department of Commerce did not report in accordance with the Transparency Act.

Summary of Corrective Action Previously Reported: Compliance with Transparency Act reporting will occur when the next subaward agreement is signed prior to June 30, 2024.

Status: Not Corrected. We are unable to "timely" report the amount and/or the updated amount of the grant agreement until the Transparency Act website is updated with the award.

Finding Number: 2022-006
Year of Finding Origination: 2022
Finding Title: Reporting – Special Reporting for Federal Funding Accountability and Transparency Act (FFATA)
Program: Title I Grants to Local Educational Agencies (Assistance Listing No. 84.010)
State Agency: Minnesota Department of Education

Summary of Condition: In the sample selected for FFATA testing, it was noted for two subrecipient subawards that the information submitted in FSRS could not be reconciled to the appropriate grant agreements. Additionally, this subaward information was to be submitted in FSRS by July 31, 2021, but was not submitted until September 2022.

Transactions Tested	Report not timely	Subaward amount incorrect
40	2	2
Dollar Amount of Tested Transactions	**Report not timely**	**Subaward amount incorrect**
$ 39,885,232	$ 1,593,599	$ 511,353

Summary of Corrective Action Previously Reported: MDE has recently added an additional resource that will be responsible for the FFATA reporting. The new position will reside on the federal programs team and be responsible for this reporting. We are in the process transitioning the work and documenting the procedures to ensure compliance moving forward.

Status: Not Corrected. MDE will dedicate additional staff time to FFATA reporting in summer 2024. A temporary staffer will work with the grants and accounting teams in catching up with and completing new reporting. MDE's new grants management software will include better functionality to assist with future FFATA reporting.

Finding Number: 2022-023
Year of Finding Origination: 2022
Finding Title: Review of Prevailing Wage Reports
Program: Grants to States for Construction of State Home Facilities (Assistance Listing No. 64.005)
State Agency: Minnesota Department of Veterans Affairs

Summary of Condition: There is no documentation of procedures in place to provide assurance that the weekly payroll reports submitted by contractors and subcontractors are reviewed for accuracy with regards to proper pay-period, project, and consistent prevailing wage rate to ensure compliance with federal prevailing wage rate standards.

Summary of Corrective Action Previously Reported: In coordination with the Minnesota Departments of Administration and Labor & Industry, the Minnesota Department of Veterans Affairs will follow the enterprise-wide model for the review of the payroll reports for assessment of accurate prevailing wage application, and defer compliance with applicable regulations to the Minnesota Departments of Administration and Labor & Industry.

Status: Fully Corrected. Corrective action was taken.

Finding Number: 2021-021
Year of Finding Origination: 2020 (Finding Number 2020-060)
Finding Title: Reporting – Accuracy of Progress Reports
Program: Disaster Grants – Public Assistance (Presidentially Declared Disasters) (Assistance Listing No. 97.036)
COVID-19 – Disaster Grants – Public Assistance (Presidentially Declared Disasters) (Assistance Listing No. 97.036)
State Agency: Minnesota Department of Public Safety

Summary of Condition: Of the 40 projects tested, 35 projects were reported inaccurately or missing required data elements in the quarterly progress reports.

Summary of Corrective Action Previously Reported: The HSEM Public Assistance office has drafted a revised Quarterly Progress Reports procedure (QPR Procedure Revised 3.20.2024) which the various process steps and responsibilities of HSEM staff, Fiscal & Administrative Services (FAS) staff and FEMA Region V Public Assistance. The financial expenditures and federal drawdown information and the Quarterly Progress Reports information are filed at different time periods and the data may not match between SWIFT and the EM Grants Pro system based on the when data is submitted to FEMA Region V Public Assistance for the Quarterly Progress Reports and when the federal drawdown is completed. HSEM and FAS will be working on incorporating additional comments in the EM Grants Pro system and the QPR Procedure Revised 3.20.2024 to provide more clarity and support the data being reported. HSEM will have these additional processes in place and the QPR Procedure updated by October 1, 2024.

Status: Not Corrected. Homeland Security & Emergency Management (HSEM) hired a staff member, whose position focus will be on auditing and compliance to ensure that required progress reports will be completed accurately and in a timely manner. The staff member will begin the onboarding process on March 12, 2025, for the federal grant compliance and closeout role.

The staff person will use the EM Grants Pro system to reconcile the projects and federal draw down of funds. DPS will provide training to this new staff member to ensure the staff member is knowledgeable and well-equipped to complete the required tasks.

Over the next 120 days HSEM will work to eliminate unneeded, conflicting or confusing internal spreadsheets. This will help to clean up inconsistencies within the Quarterly Progress Report (QPR) process and the timeliness and accuracy of required reporting.

HSEM staff person will work with Fiscal and Administrative Services (FAS) to revise and update the QPR policy and procedure to ensure the accuracy and timeliness of reporting in compliance with federal regulations.

DPS leadership will monitor the progress report requirements and staff implementation of the internal progress reporting procedure to ensure reports are submitted in a timely manner and in compliance with federal requirements. Leadership will collaborate with staff to address any updates or adjustments of internal processes and procedures.

Anticipated corrective action plan completion date July 15, 2025.

Finding Number: 2020-006
Year of Finding Origination: 2020
Finding Title: Noncompliance With Monitoring of Subrecipient Single Audits
Program: Child and Adult Care Food Program (Assistance Listing No. 10.558)
State Agency: Minnesota Department of Education

Summary of Condition: The Department of Education did not review all subrecipient single audits as required by federal regulations. The department did not identify or review single audits for 31 subrecipients for which it was not the cognizant agency. In addition, the department could not provide documentation to show it obtained and reviewed the single audit reports for three subrecipients tested.

Summary of Corrective Action Previously Reported: MDE has updated the Cognizant Agency policy to include the implementation of the review of all subrecipient single audits, including those in which the agency is not the cognizant agency. In addition to our procedure, we have updated forms to include this change. Additionally, Nutrition Program Services has updated their procedures for the non-LEA programs of SFSP and CACFP. Federal regulations recently changed which will require a Management Plan from these non-LEA subrecipients. MDE has recently developed and is implementing a new procedure for sub-recipient monitoring. The procedure includes specific procedures and timelines. In addition, we are working on developing training on how to write a management decision letter, but the training has not been completed yet, estimated October 2023. We have added an additional resource who will be responsible for managing and monitoring this activity on an on-going basis.

Status: Not Corrected. Subrecipient Monitoring for this program is reported within the Summary Schedule of Prior Audit Findings as finding 2023-004.

Finding Number: 2020-040
Year of Finding Origination: 2020
Finding Title: Inadequate Internal Controls Regarding Regular Review of the Security of Information Systems Which Could Impact Activities Allowed or Unallowed; Allowable Costs/Cost Principles; or Eligibility
Program: Supplemental Nutrition Assistance Program (Assistance Listing No. 10.551)
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (Assistance Listing No. 10.561)
State Agency: Minnesota Department of Human Services

Summary of Condition: The Department of Human Services and Minnesota IT Services (MNIT) did not complete an information system security review of the MAXIS application and environment, which would help identify new and validate any existing risks and vulnerabilities.

Summary of Corrective Action Previously Reported: The MAXIS SSP/RA work that was done during 2022 was not fully completed under the updated process and documentation controls due to resource constraints. The work previously done was incorporated into the updated process and the MAXIS SSP/RA is currently under final review. It will be finalized and certified by 4/1/2024.

Status: Fully Corrected. Corrective action was taken.

Representation of
Minnesota State Colleges and Universities

Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2024

United States Department of Education

Minnesota State Colleges and Universities respectfully submits the following summary schedule of prior audit findings for the year ended June 30, 2024.

Audit period: July 01, 2023 to June 30, 2024

The findings from the prior audit's schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the prior year.

Findings — Financial Statement Audit

There were no financial statement findings in the prior year.

Findings — Federal Award Programs Audits

2023 – 001 National Student Loan Database System (NSLDS Error Correcting)

Condition: During our testing of 60 students, we noted four students from Century College and one student from Ridgewater College where the change in enrollment status was not reported within 60 days.

Status: See finding 2024-001

Reason for finding's recurrence: Staff turnover at one school, as well as insufficient training at another schools were some of the reasons for the finding's recurrence. It is worth noting that the two schools from the 2023 finding were not part of the 2024 finding.

Corrective Action: Additional staff training at affected schools has occurred in order to avoid this finding in the future.

2023 – 002 Perkins Recordkeeping

Condition: During our testing of 40 retired or assigned loans, we noted for Mesabi Range College (now known as Minnesota North College), one MPN was unable to be located. This specific loan was paid in full and the original MPN was sent to the borrower with the paid in full communication.

Status: See finding 2024-003

Reason for finding's recurrence: Schools continue to implement additional procedures to ensure they comply with Perkins recordkeeping requirements, unfortunately this is an ongoing process and it takes time to accomplish at all 33 schools.

Corrective Action: The schools are in the process of implementing additional procedures to ensure that all necessary MPN's are retained in accordance with regulations surrounding Perkins recordkeeping.

2023 – 003 Cash Management G5 Drawdowns

Condition: During our testing of federal G5 drawdowns, we noted there were amounts overdrawn on G5 by St. Cloud State University.

Status: Corrective action was taken.

2023 – 004 Non-Aid Eligible Programs

Condition: During our testing, we noted Northland Community and Technical College provided Pell grants, Federal Supplemental Educational Opportunity Grant (FSEOG), and Direct Loans to 4 students in a non-aid eligible program totaling $26,481.

Status: Corrective action was taken.

2023 – 005 Tier One Arrangements

Condition: During our testing of Tier One Arrangements, we noted Central Lakes College, Century College, Dakota County Technical College, Fond du Lac Tribal and Community College, Inver Hills Community College, Metropolitan State University, Pine Technical and Community College, Riverland Community College and Saint Paul College did not provide the URL for their Tier One Arrangement to the Department of Education.

Status: See finding 2024-002

Reason for finding's recurrence: Of the nine schools listed, only four were identified with having this issue in fiscal year 2024, so there is significant progress in addressing this compared to the prior year.

Corrective Action: The colleges and universities continue to review their policies and procedures surrounding their Tier One agreement as in the prior year, to ensure they are in compliance with the Department of Education requirements. They also continue to ensure the URL is sent to Department of Education appropriately.

2023 – 006 Reporting

Condition: During our testing of 8 annual reports, it was noted for Northland Community and Technical College and South Central College that the reports were not submitted timely. During our testing of 21 quarterly reports, it was noted that Anoka Ramsey Community College, Dakota County Technical College, Inver Hills Community College, and Pine Technical and Community College each had 1 report not submitted timely.

Status: Corrective action was taken.

If the United States Department of Education has questions regarding this schedule, please contact Metody Popov at metody.popov@minnstate.edu.