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# Charter County of Wayne, Michigan

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**Federal Awards Supplemental Information**  
**September 30, 2022**

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Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

**Independent Auditor's Report**

To the Honorable Members of the Wayne County  
Commission and the County Executive of  
the Charter County of Wayne, Michigan  
Charter County of Wayne, Michigan

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Charter County of Wayne, Michigan (the "County") as of and for the year ended September 30, 2022 and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated March 17, 2023, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. We have not performed any procedures with respect to the audited financial statements subsequent to March 17, 2023.

We did not audit the financial statements of HealthChoice of Michigan, which represents 11.62, 14.40, and 58.22 percent of the assets, net position, and revenue, respectively, of the aggregate discretely presented component units. We also did not audit the financial statements of Wayne County - Detroit CDE Inc, which represents 2.87, 2.55, and 0.00 percent of the assets, net position, and revenue, respectively, of the aggregate discretely presented component units. Those financial statements were audited by other auditors, whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for aggregate discretely presented component units and aggregate remaining fund information, is based on the report of the other auditors.

The accompanying schedule of expenditures of federal awards is presented for the purpose of additional analysis, as required by the Uniform Guidance, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

*Plante & Moran, PLLC*

March 17, 2023

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of  
Financial Statements Performed in Accordance with *Government Auditing Standards*

**Independent Auditor's Report**

To Management, the Honorable Members of the  
Wayne County Commission, and the County Executive  
of the Charter County of Wayne, Michigan  
Charter County of Wayne, Michigan

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Charter County of Wayne, Michigan (the "County") as of and for the year ended September 30, 2022 and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated March 17, 2023.

Our report includes a reference to other auditors who audited the financial statements of HealthChoice of Michigan, which represents 11.62, 14.40, and 58.22 percent of the assets, net position, and revenue, respectively, of the aggregate discretely presented component units. We also did not audit the financial statements of Wayne County - Detroit CDE, Inc., which represents 2.87, 2.55, and 0.00 percent of the assets, net position, and revenue, respectively, of the aggregate remaining fund information. Those financial statements were audited by other auditors, whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the entities listed above, is based on the report of the other auditors. The financial statements of Wayne County - Detroit CDE, Inc. were not audited in accordance with *Government Auditing Standards*, and, accordingly, this report does not include reporting on internal control over financial reporting or compliance and other matters associated with Wayne County - Detroit CDE, Inc. or that are reported on separately by those auditors who audited the financial statements of HealthChoice of Michigan.

**Report on Internal Control Over Financial Reporting**

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A deficiency in internal control 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 such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies, described in the accompanying schedule of findings and questioned costs as Findings 2022-001, 2022-002, 2022-003, 2022-004, 2022-005, 2022-006, 2022-007, and 2022-008, to be material weaknesses.

To Management, the the Honorable Members of the  
Wayne County Commission, and the County Executive  
of the Charter County of Wayne, Michigan  
Charter County of Wayne, Michigan

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies, described in the accompanying schedule of findings and questioned costs as Findings 2022-009 and 2022-010, to be significant deficiencies.

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

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion.

The results of our tests disclosed an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards*, which is described in the accompanying schedule of findings and questioned costs as Finding 2022-003.

#### **The County's Responses to the Findings**

*Government Auditing Standards* require the auditor to perform limited procedures on the County's responses to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The County's responses were not subjected to the other auditing procedures applied in the audit of the financial statements, and, accordingly, we express no opinion on them.

#### **Purpose of This Report**

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

*Plante & Moreau, PLLC*

March 17, 2023

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

**Independent Auditor's Report**

To the Honorable Members of the Wayne County  
Commission and the County Executive of  
the Charter County of Wayne, Michigan  
Charter County of Wayne, Michigan

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

***Opinion on Each Major Federal Program***

We have audited Charter County of Wayne, Michigan's (the "County") 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 County's major federal programs for the year ended September 30, 2022. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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* (the "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 Charter County of Wayne, Michigan and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Charter County of Wayne, Michigan's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the County's federal programs.

To the Honorable Members of the Wayne County  
Commission and the County Executive of  
the Charter County of Wayne, Michigan  
Charter County of Wayne, Michigan

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Charter County of Wayne, Michigan's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Charter County of Wayne, Michigan'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 Charter County of Wayne, Michigan's internal control over compliance. Accordingly, no such opinion is expressed.

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

### ***Other Matters***

The results of our auditing procedures disclosed instances of noncompliance that are required to be reported in accordance with the Uniform Guidance, which are described in the accompanying schedule of findings and questioned costs as Findings 2022-011, 2022-012, 2022-013, and 2022-014. Our opinion on each major federal program is not modified with respect to these matters.

*Government Auditing Standards* require the auditor to perform limited procedures on the County's responses to the noncompliance findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The County's responses were not subjected to the other auditing procedures applied in the audit of compliance, and, accordingly, we express no opinion on them.

### ***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 have not been identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses.

To the Honorable Members of the Wayne County  
Commission and the County Executive of  
the Charter County of Wayne, Michigan  
Charter County of Wayne, Michigan

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention of those charged with governance. We consider the deficiencies in internal control over compliance, described in the accompanying schedule of findings and questioned costs as Findings 2022-011, 2022-012, 2022-013, and 2022-014, to be material weaknesses.

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

*Government Auditing Standards* require the auditor to perform limited procedures on Charter County of Wayne, Michigan's responses to the internal control over compliance findings identified in our audit and described in the accompanying schedule of findings and questioned costs. Charter County of Wayne, Michigan's responses were not subjected to the other auditing procedures applied in the audit of compliance, and, accordingly, we express no opinion on them.

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.

*Plante & Moreau, PLLC*

March 17, 2023



Federal Agency/Pass-through Agency/Program Title	Assistance Listing Number	Direct Award Identification Number	Pass-through Entity Identifying Number	Total Amount Provided to Subrecipients	Federal Expenditures
<b>U.S. Department of Agriculture</b>					
Passed through Michigan Department of Health and Human Services:					
WIC Special Supplemental Nutrition Program for Women, Infants, and Children	10.557		E20222413-00	\$ 718,200	\$ 3,249,923
WIC Special Supplemental Nutrition Program for Women, Infants, and Children	10.557		E20223664-00	-	298,182
Total U.S. Department of Agriculture				718,200	3,548,105
<b>U.S. Department of Housing and Urban Development</b>					
Direct Programs:					
CDBG Entitlement Grants Cluster:					
Community Development Block Grant	14.218	VARIOUS		-	820,944
2015 Community Development Block Grant	14.218	B-15-UC-26-0003		590,898	620,673
2016 Community Development Block Grant	14.218	B-16-UC-26-0003		22,179	22,179
2017 Community Development Block Grant	14.218	B-17-UC-26-0003		88,806	88,806
2018 Community Development Block Grant	14.218	B-18-UC-26-0003		82,416	118,591
2019 Community Development Block Grant	14.218	B-19-UC-26-0003		623,117	623,117
2020 Community Development Block Grant	14.218	B-20-UC-26-0003		676,572	1,152,465
2021 Community Development Block Grant	14.218	B-21-UC-26-0003		920,902	920,902
COVID-19 2020 Community Development Block Grant	14.218	COVID 19 - CDBG CV		-	1,629,336
Total CDBG Entitlement Grants Cluster				3,004,890	5,997,013
Neighborhood Stabilization Program 1	14.218	B-11-UN-26-0006		300,000	300,000
COVID-19 2020 Economic Solutions Grant	14.231	E-20-UW-26-0003		-	1,085,888
Emergency Solutions Grant (McKinney Act for the Homeless)	14.231	E-17-UC-26-0003		-	59,758
Emergency Solutions Grant (McKinney Act for the Homeless)	14.231	E-20-4C-26-003-4-231		56,002	56,002
Total Emergency Solutions Grant				56,002	1,201,648
Home Investment Partnership	14.239	M-21-DC260213		243,912	454,782
Home Investment Partnership	14.239	M-14-DC260213		613,821	622,133
Home Investment Partnership	14.239	M-17-DC260213		176,410	176,410
Home Investment Partnership	14.239	M-18-DC260213		273,462	273,462
Home Investment Partnership	14.239	M19-DC260213		96,879	104,567
Home Investment Partnership	14.239	M20-DC260213		232,000	243,912
COVID-19 Home Investment Partnership	14.239	M21-PP-260213		-	2,111
Total Home Investment Partnership Program				1,636,484	1,877,377
Total U.S. Department of Housing and Urban Development				4,997,376	9,376,038
<b>U.S. Department of Interior</b>					
Direct Programs - Historic Preservation Fund Grant	15.904	P20AP00130		-	299,519
<b>U.S. Department of Justice</b>					
Direct Programs - FY20 Prosecuting Cold Cases using DNA	16.036	2020-DN-BX-0161		-	74,204
Drug Court Discretionary Grant Program:					
Juvenile Drug Court OJJDP STAND Program	16.585	15PJDP-21-GG-02831-DGCT		-	8,935
Juvenile Drug Court OJJDP STAND Program	16.585	2018-DC-BX-0020		-	24,439
Total Drug Court Discretionary Grant Program				-	33,374

Federal Agency/Pass-through Agency/Program Title	Assistance Listing Number	Direct Award Identification Number	Pass-through Entity Identifying Number	Total Amount Provided to Subrecipients	Federal Expenditures
<b>U.S. Department of Justice (continued):</b>					
Direct Programs (continued):					
FY16 Grants to Encourage Arrest Policies & Enforcement of Protection Orders	16.590	2016-WE-AX-0039		\$ 82,946	\$ 471,717
State Criminal Alien Assistance Program	16.606	2019-AP-BX-0001		-	278,125
2018 Edward Byrne Memorial Justice Assistance Program	16.738	2018-DJ-BX-0620		296,876	316,134
2019 Edward Byrne Memorial Justice Assistance Program	16.738	2019-DJ-BX-0620		72,114	245,922
2020 Edward Byrne Memorial Justice Assistance Program	16.738	2020-DJ-BX-0504		4,193	4,607
2021 Edward Byrne Memorial Justice Assistance Program	16.738	15PBJA-21-GG-01577-JAGX		-	-
Wayne County Prosecutor's Operation Relentless Pursuit	16.738	2020-MU-BX-005		-	677,618
Adult Drug Adjudication Byrne JAG Grant	16.738	21-GG-00248-MMU		-	88,500
Passed through City of Detroit, Michigan - FY 20 BJA Federal Crime Gun Intelligence Center	16.738		6002678	-	15,218
Total				373,183	1,347,999
Postconviction Testing of DNA Evidence to Exonerate the Innocent	16.820	2020-DY-BX-0009		-	214,165
Smart Prosecution Initiative - Innovative Prosecution Solutions Grant	16.825	2018-YX-BX-0005			43,202
National Sexual Assault Kit Initiative:					
BJA-FY 18 National Sexual Assault Kit Initiative	16.833			14,362	433,105
BJA-FY 20 National Sexual Assault Kit Initiative	16.833			-	283,144
BJA-FY 19 National Sexual Assault Kit Initiative	16.833			47,845	316,734
Passed through RTI International - FY19 National SAKI TTA	16.833		6-312-0217208-66048L	-	5,915
Total National Sexual Assault Kit Initiative				62,207	1,038,898
Passed through Michigan State Police:					
COVID-19 FY20 Coronavirus Emergency Supplemental Funding Program	16.034		CESF-2021-018	-	16,520
COVID-19 FY20 Coronavirus Emergency Supplemental Funding Program	16.034		CESF-2022-0106	-	58,758
Total passed through Michigan State Police				-	75,278
Passed through Michigan Department of Community Health:					
Crime Victim Assistance	16.575		E20221998-00	-	252,944
Crime Victim Assistance VOCA	16.575		E20222963-00	-	797,468
Total Passed through Michigan Department of Community Health				-	1,050,412
Passed through Michigan Department of Health and Human Services - Violence Against Women Formula	16.588		E20223023-00	-	357,513
Total U.S. Department of Justice				518,336	4,984,887
<b>Executive Office of the President, Office of National Drug Control Policy</b>					
Direct Programs - High Intensity Drug Trafficking Areas Program	95.001	HIDTA.10012021		-	66,169
<b>U.S. Department of Transportation</b>					
Passed through Michigan Department of Transportation - Highway Planning and Construction Cluster-Highway Planning and Construction (Note 3)	20.205		VARIOUS	-	575,930
Passed through Michigan Department of State Police:					
Highway Safety Cluster - Safety Belt Enforcement Task Force	20.616		PT 19-27	-	11,411
Interagency Hazardous Materials Public Center Training and Planning Grants	20.703		693JK31940022HMEP	-	22,079
Total U.S. Department of Transportation				-	609,420

Schedule of Expenditures of Federal Awards (Continued)

Year Ended June 30, 2022

Federal Agency/Pass-through Agency/Program Title	Assistance Listing Number	Direct Award Identification Number	Pass-through Entity Identifying Number	Total Amount Provided to Subrecipients	Federal Expenditures
<b>U.S. Department of the Treasury</b>					
Direct Programs:					
COVID-19 Coronavirus Relief Fund	21.019	SLR-2004142378		\$ -	\$ 6,000,000
COVID-19 Coronavirus Relief Fund	21.019	SLR-2004142378		-	1,409,019
Total COVID-19 Coronavirus Relief Fund				-	7,409,019
COVID-19 Emergency Rental Assistance Program 2	21.023	ERA2-0476		4,000,000	17,392,422
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	SLT-3001		-	288,586
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	SLT-3001		-	2,926,230
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	SLT-3001		-	52,200
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	SLT-3001		-	20,664
Total COVID-19 Coronavirus State and Local Fiscal Recovery Funds				-	3,287,680
Total U.S. Department of the Treasury				4,000,000	28,089,121
<b>U.S. Environmental Protection Agency</b>					
Passed through Michigan Department of Environmental Quality - Drinking Water State Revolving Fund Cluster - Capitalization Grants for Drinking Water State Revolving Funds	66.468		FS975487-20	-	266
Passed through Michigan Department of Environmental Quality - Clean Water State Revolving Fund Cluster - Capitalization Grants for Clean Water State Revolving Funds	66.458		5702-01	-	418,968
Direct Programs:					
Great Lakes Restoration Initiative	66.469	GL-OOE02040-5		-	2,572,367
Rouge River AOC Wayne County Parks Habitat Restoration Design	66.469	GL-OOE02040		7,250	8,566
Total Great Lakes Restoration Initiative				7,250	2,580,933
Direct Programs - Brownfield Authority Multipurposes Assessment and Clean Up	66.818	00E02726		-	433,426
Total U.S. Environmental Protection Agency				7,250	3,433,593
<b>U.S. Department of Health and Human Services</b>					
Direct Programs:					
Community Programs to Improve Minority Health Grant Program - COVID-19 Wayne County Health Catalysts for COVID CARE	93.137	1 CPIMP211273		-	359,764
Health Center Cluster:					
Health Center Cluster - Federally Qualified Health Center (FQHC)	93.224	H80CS24135-08-03		-	2,121,044
COVID-19 Health Center Cluster - Federally Qualified Health Center (FQHS)	93.224	1 H8FCS41413-01-00		-	535,456
ACA-Affordable Care Act for new and expanded services under the Health Center Program	93.527	H80CS24135-08-03		-	409,291
Total Health Center Cluster				-	3,065,791
Passed through Area Agency on Aging 1C - Aging Cluster:					
Nutrition Services	93.045		M-20-DC260213	-	1,454,799
COVID-19 Nutrition Services	93.045		N/A	-	769,122
Nutrition Services	93.053		N/A	-	640,262
Total Aging Cluster				-	2,864,183

Schedule of Expenditures of Federal Awards (Continued)

Year Ended June 30, 2022

Federal Agency/Pass-through Agency/Program Title	Assistance Listing Number	Direct Award Identification Number	Pass-through Entity Identifying Number	Total Amount Provided to Subrecipients	Federal Expenditures
Passed through Michigan Department of Health and Human Services:					
National Bioterrorism Hospital Preparedness Program	93.889		E20222409-00	\$ -	\$ 226,728
National Bioterrorism Hospital Preparedness Program	93.889		E20222410-00	-	129,470
Total National Bioterrorism Hospital Preparedness				-	356,198
Tuberculosis Control Program	93.116		E20222707-00	-	14,012
Immunization Cooperative Agreements:					
Immunization Cooperative Agreements	93.268		E20223485-00	-	350
Immunization Cooperative Agreements	93.268		E20223125-00	-	476,913
COVID-19 VFC Vaccines	93.268		N/A	-	308,034
COVID-19 Immunization	93.268		E20223823-00	-	2,748,257
Total Immunization Cooperative Agreements				-	3,533,554
Epidemiology and Laboratory Capacity for Infectious Disease (ELC):	93.323		E20222935-00	-	5,213
COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases	93.323		E20223822-00	-	234,150
COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases	93.323		E20223824-00	-	2,543,041
Total ELC				-	2,782,404
Maternal, Infant and Early Childhood Home Visiting Grant Program	93.870		E20223365-00	-	503,426
Maternal, Infant and Early Childhood Home Visiting Grant Program	93.870		E20224809-00	-	8,254
Total MIECHVGP				-	511,680
Child Support Enforcement - Title IV-D	93.563		CSCOM-17-82003	-	1,537,197
Child Support Enforcement - Title IV-D	93.563		CSCOM-17-82003	-	3,053,887
Child Support Enforcement - Title IV-D	93.563		CSCOM-17-82003	-	11,798,023
Child Support Enforcement - Title IV-D	93.563		CSCOM-17-82003	-	727,984
Total Title IV D				-	17,117,091
COVID-19 State Court Improvement Program - Supplemental Grant	93.586		2022-64	-	13,379
Foster Care Title IV-E	93.658		E20221314-00	-	747,040
Title IV-E Kinship Navigator Program	93.471		E20223841-00	-	16,511
Children's Health Insurance Program - Michigan Medicaid CHIP Lead Hazard Control	93.767		E20223399-00	-	90,865
Medicaid Cluster:					
Medical Assistance Program	93.778		E20223399-00	-	6,047
Crippled Children	93.778		E20222541-00	-	8,543
Medical Assistance Program	93.778		E20222670-00	-	351,220
Medical Assistance Program	93.778		E20222669-00	-	32,310
Total Medicaid Cluster				-	398,120
HIV Prevention Activities Health Department Based - AIDS Counseling and Testing	93.940		E20222589-00	-	144,819
Preventive Health Services - STD	93.977		E20223158-00	-	18,643

## Schedule of Expenditures of Federal Awards (Continued)

Year Ended June 30, 2022

Federal Agency/Pass-through Agency/Program Title	Assistance Listing Number	Direct Award Identification Number	Pass-through Entity Identifying Number	Total Amount Provided to Subrecipients	Federal Expenditures
Maternal and Child Health Services Block Grant	93.994		E20223243-00	\$ -	\$ 54,845
Maternal and Child Health Services Block Grant	93.994		E20223359-00	-	135,421
Maternal and Child Health Services Block Grant	93.994		E20222898-00	-	11,250
Maternal and Child Health Services Block Grant	93.994		E20223355-00	-	37,564
Maternal and Child Health Services Block Grant	93.994		E20222898-00	-	97,500
Maternal and Child Health Services Block Grant	93.994		E20223354-00	-	265,625
Maternal and Child Health Services Block Grant	93.994		E20223355-00	-	96,735
Maternal and Child Health Services Block Grant	93.994		E20220368-00	-	28,953
Maternal and Child Health Services Block Grant	93.994		E20223354-00	-	136,745
Maternal and Child Health Services Block Grant	93.994		E20223355-00	-	272
Total Maternal and Child Health Services Block Grant				-	864,910
Total U.S. Department of Health and Human Services				-	32,898,964
<b>U.S. Department of Homeland Security</b>					
Direct Programs:					
Disaster Grants - Public Assistance - (Presidentially Declared Disasters):					
COVID-19 Disaster Grants - Public Assistance - (Presidentially Declared Disasters)	97.036	172773		-	3,431,120
Passed through Michigan Department of Health and Human Services -					
COVID-19 Testing Reimbursement	97.036		N/A	-	930,530
Total Disaster Grants - Public Assistance - (Presidentially Declared Disasters)				-	4,361,650
Passed through Michigan Department of Natural Resources					
Emergency Management Performance Grants	97.042		EMC-2017-EP-00001	-	67,044
Boating Safety Financial Assistance	97.012		MS 17-035	-	93,400
Passed through Michigan State Police - Emergency Management Performance Grant:					
Homeland Security Grant Program	97.067		EMW-2019-SS-00021	194,254	254,455
Homeland Security Grant Program	97.067		N/A	-	47,095
Homeland Security Grant Program	97.067		EMW-2018-SS-00042	-	34,528
Homeland Security Grant Program	97.067		EMW-2019-SS-0001	-	363,522
Homeland Security Grant Program	97.067		EMW-2020-SS-00021	-	3,535
Total Homeland Security Grant Program				194,254	703,135
Total U.S. Department of Homeland Security				194,254	5,225,229
Total federal awards				\$ 10,435,416	\$ 88,531,045

**Notes to Schedule of Expenditures of Federal Awards**

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**Year Ended September 30, 2022**

**Note 1 - Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of Charter County of Wayne, Michigan (the "County") under programs of the federal government for the year ended September 30, 2022. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance"). Because the Schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net position, or cash flows of the County.

**Note 2 - Summary of Significant Accounting Policies**

Expenditures reported in the Schedule are reported on the same basis of accounting as the basic financial statements. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement, except for expenditures related to Assistance Listing Number (ALN) 21.019, Coronavirus Relief Fund (CRF); ALN 66.468, Capitalization Grants for Drinking Water - State Revolving Fund (DWSRF); and ALN 66.458, Capitalization Grants for Clean Water - State Revolving Fund (CWSRF).

CRF does not apply the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirement for Federal Awards*, but rather applies the U.S. Department of the Treasury's guidance and frequently asked questions.

Expenditures related to ALN 66.468, DWSRF, and ALN 66.458, CWSRF, are reported on the Schedule on cash basis. The DWSRF and the CWSRF expenditures are reported on cash basis in accordance with the subrecipient reporting guidelines prescribed by the pass-through entity.

The pass-through entity identifying numbers are presented where available.

For the purpose of charging indirect costs to federal awards, the County has elected not to use the 10 percent *de minimis* cost rate, as permitted by §200.414 of the Uniform Guidance.

**Note 3 - Highway Planning and Construction Program**

The County participates in 40 federally funded separate road, street, and bridge construction and repair projects, which are primarily administered by the Michigan Department of Transportation (MDOT). The project expenditures are recorded in the County's general ledger and amounted to \$19,040,743 for the year ended September 30, 2022. The federal financial assistance administered directly by MDOT has not been included in the Schedule, as stipulated by guidance provided by MDOT.

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## Schedule of Findings and Questioned Costs

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## Charter County of Wayne, Michigan

# Schedule of Findings and Questioned Costs

Year Ended September 30, 2022

### Section I - Summary of Auditor's Results

#### Financial Statements

Type of auditor's report issued:

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? ☒ Yes ☐ No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? ☒ Yes ☐ None reported
- Noncompliance material to financial statements noted? ☒ Yes ☐ None reported

#### Federal Awards

Internal control over major programs:

- Material weakness(es) identified? ☒ Yes ☐ No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? ☐ Yes ☒ None reported
- Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR 200.516(a)? ☒ Yes ☐ No

Identification of major programs:

Assistance Listing Number	Name of Federal Program or Cluster	Opinion
10.557	WIC Special Supplemental Nutrition Program for Women, Infants, and Children	Unmodified
14.218	Community Development Block Grant Cluster - Community Development Block Grants/Entitlement Grants	Unmodified
14.239	Home Investment Partnerships Program	Unmodified
21.019	Coronavirus Relief Fund	Unmodified
21.023	Emergency Rental Assistance Program	Unmodified
21.027	Coronavirus State and Local Fiscal Recovery Funds	Unmodified
93.224/93.527	Health Center Cluster	Unmodified
93.268	Immunization Cooperative Agreement	Unmodified
93.563	Child Support Enforcement	Unmodified

Dollar threshold used to distinguish between type A and type B programs:

\$2,655,931

Auditee qualified as low-risk auditee?

☐ Yes ☒ No



## Schedule of Findings and Questioned Costs (Continued)

Year Ended September 30, 2022

### Section II - Financial Statement Audit Findings

Reference Number	Finding
2022-001	<p><b>Finding Type</b> - Material weakness (repeat finding)</p> <p><b>Criteria</b> - The County should have a process in place to ensure proper recording and reconciling of general ledger activity throughout the year and identification and recording of all year-end closing entries in accordance with generally accepted accounting principles (GAAP) prior to the commencement of the audit.</p> <p><b>Condition</b> - The County's general ledger and underlying financial records were not reconciled and closed in a timely manner. There were numerous adjustments that should have been identified by management, which were instead identified during the audit of the County and the component units.</p> <p><b>Context</b> - The accounting adjustments included corrections to adjust full accrual deferred inflows, adjust custodial additions and deductions, and increase inventory of the Land Bank, as well as the adjustments noted in other findings.</p> <p>There were also various adjustments to the financial statements that should have been made in order to correctly state the County's financial records at year end that were not adjusted, as management did not deem these items to be significant enough to correct in the accounting records. These are referred to as "passed adjustments." The passed adjustments included corrections to adjust advances on deposit for road projects, to net chargeback revenue with the related expenses, to adjust revenue and deferred inflows of resources for the timing in which amounts were collected relative to the period of availability, to capitalize assets that are individually under the capitalization threshold but collectively over the threshold, to adjust investments from cost basis to fair market value, and to remove accrual for expenses not incurred as of fiscal year end.</p> <p>The adjustment to custodial additions and deductions was material. While none of the other corrected and uncorrected misstatements listed above were material, either individually or in the aggregate to the financial statements taken as a whole, they are indicative of a lack of controls sufficient to prevent a material error from occurring.</p> <p><b>Cause</b> - The County did not have processes in place to ensure activity was properly reconciled to the general ledger throughout the year, and year-end closing entries were identified and recorded in the general ledger prior to the commencement of the audit.</p> <p><b>Effect</b> - If the County had not recorded the auditor-identified entries, the financial statements would have been materially misstated.</p> <p><b>Recommendation</b> - The County should work with all departments to ensure that each has adequate resources to fully and accurately reconcile and record activity throughout the year and identify and record year-end entries prior to the start of the audit. An independent review of reconciliations and trial balances prior to the start of the audit would assist in identifying and correcting potential errors.</p>

**Schedule of Findings and Questioned Costs (Continued)**

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**Year Ended September 30, 2022**

**Section II - Financial Statement Audit Findings (Continued)**

Reference Number	Finding
2022-001 (Continued)	<b>Views of Responsible Officials and Planned Corrective Actions</b> - Management agrees with the finding as stated above and has prepared and posted the appropriate journal entries to correct the condition. The County will continue to coordinate with other county departments and work diligently throughout the year to record transactions in the general ledger and prepare monthly reconciliations. Furthermore, the County will review all prior year-end closing entries to identify unrecorded adjustments that should be recorded prior to the start of the audit. Additionally, the County is in the process of filling vacant positions in the management and budget (M&B) division.

## Schedule of Findings and Questioned Costs (Continued)

Year Ended September 30, 2022

### Section II - Financial Statement Audit Findings (Continued)

Reference Number	Finding
2022-002	<p><b>Finding Type</b> - Material weakness (repeat finding)</p> <p><b>Criteria</b> - The County should have appropriate overall monitoring procedures in place over the general ledger and external financial reporting function to ensure timely and accurate financial statements.</p> <p><b>Condition</b> - The County lacked appropriate overall monitoring of account balances during the year in order to compile complete and accurate financial reports that resulted in many auditor-proposed journal entries.</p> <p><b>Context</b> - The County did not have a process to assign all general ledger accounts to the appropriate person for overall monitoring including analytical analysis. A variety of systems and decentralized staff are required to compile complete and accurate financial reports, which, in some cases, are not being done in a timely manner during the year. In addition, procedures are not in place to ensure that accounts, journal entries, and funds are reviewed regularly for accuracy and for completeness of all transactions.</p> <p><b>Cause</b> - The County did not identify the resources necessary to ensure general ledger accounts were monitored and analyzed by appropriate individuals, including taking an overview of fund activity before finalization of the accounting records.</p> <p><b>Effect</b> - As a result of the lack of appropriate overall monitoring procedures, there were many auditor-proposed journal entries.</p> <p><b>Recommendation</b> - The County should develop overall monitoring procedures to aid in ensuring that all activity in a fund is complete, accurate, and logical. This includes assigning an appropriate individual to each general ledger account and several individuals who would be responsible for the entire general ledger and financial statements to perform monitoring, analytical analysis, and adjustment as needed.</p> <p><b>Views of Responsible Officials and Planned Corrective Actions</b> - Management agrees with the finding stated above and has prepared and posted the appropriate journal entries to correct the condition. The County will continue to coordinate with other county departments and work diligently throughout the year to record transactions in the general ledger and prepare monthly reconciliations. Furthermore, the County will review all prior year-end closing entries to identify unrecorded adjustments that should be recorded prior to the start of the audit. Additionally, the County is in the process for filling vacant positions in the M&amp;B division.</p>

## Schedule of Findings and Questioned Costs (Continued)

Year Ended September 30, 2022

### Section II - Financial Statement Audit Findings (Continued)

Reference Number	Finding
2022-003	<p><b>Finding Type:</b> Material weakness and material noncompliance (repeat finding)</p> <p><b>Criteria</b> - There should be a process in place to ensure that the County complies with laws and regulations.</p> <ul style="list-style-type: none"><li>• The Uniform Unclaimed Property Act (Public Act 29 of 1995) requires the Michigan Holder Transmittal Annual Report of Unclaimed Property to be submitted annually by November 1. Any holder of unclaimed property who fails to file a report of unclaimed property and escheat unclaimed amounts is subject to fines and penalties, as described in Public Act 29 of 1995.</li><li>• Public Act 2 of 1968, Section 141.435 (2) states that total budgeted expenditures shall not exceed estimated revenue plus accumulated fund balance. In addition, Section 141.438 (3), "Except as otherwise provided in Section 19, an administrative officer of the local unit shall not incur expenditures against an appropriation account in excess of the amount appropriated by the legislative body."</li><li>• Per Public Act 2 of 1968, Section 141.434(5), the chief administrative officer shall furnish to the legislative body information the legislative body requires for proper consideration of the recommended budget. Before final passage of a general appropriations act by the legislative body, a public hearing shall be held, as required by 1963 (2nd Ex Sess) PA 43, MCL 141.411 TO 141.415, and the open meetings act, 1976 PA 267, MCL 15.261 TO 15.275.</li></ul> <p><b>Condition</b> - There were instances identified where the County was not in compliance with laws and regulations as follows:</p> <ul style="list-style-type: none"><li>• The County currently has checks outstanding related to both road construction performance bonds on deposit and other liabilities that are considered abandoned under PA 29 of 1995 but have not been escheated to the State.</li><li>• Expenditures exceed budgeted amounts in certain expenditure groups within the General Fund, Roads Fund, COVID-19 Fund, and multiple nonmajor governmental funds.</li><li>• The County's original and amended budgets for the Victim Witness Fund and original budget for the Law Enforcement Fund would have resulted in a projected fund deficit, as presented in the other supplementary information.</li><li>• There was no budget prepared and approved for the Building Authority special revenue fund.</li></ul> <p><b>Context</b> - The County has not quantified the amount to be escheated to the State of Michigan and, therefore, has not escheated required items as of September 30, 2022.</p> <ul style="list-style-type: none"><li>• For the General Fund, Roads Fund, COVID-19 Fund, and multiple nonmajor governmental funds, actual expenditures exceeded the approved budget.</li><li>• The County's original and amended budgets for the Victim Witness Fund and original budget for the Law Enforcement Fund would have resulted in a projected fund deficit, as presented in the other supplementary information.</li><li>• The Building Authority special revenue fund did not adopt a budget.</li></ul> <p><b>Cause</b> - There is not a process in place to fully monitor compliance with laws and regulations throughout the year.</p>

## Schedule of Findings and Questioned Costs (Continued)

Year Ended September 30, 2022

### Section II - Financial Statement Audit Findings (Continued)

Reference Number	Finding
2022-003 (Continued)	<p><b>Effect</b> - The County could be subject to penalties under PA 29 of 1995. The County may be required to submit corrective action plans to the State.</p> <p><b>Recommendation</b> - We recommend that the County implement a process that identifies specific individuals for identifying and monitoring applicable compliance requirements throughout the year. In addition, the County should file a Voluntary Disclosure Agreement (Form 4869) when submitting escheatments to the State.</p> <p><b>Views of Responsible Officials and Planned Corrective Actions</b> - The Uniform Unclaimed Property Act (Public Act 29 of 1995) - Management agrees with the finding and management and budget (M&amp;B) will continue to work on finalizing a policy to address escheatment of funds and to identify unescheated funds that need to be sent to the State of Michigan.</p> <p>Per Public Act 2 of 1968, Section 141.435 (2) - Management agrees with the finding and management and budget will review budget to actual reports throughout the year to identify and resolve accounts where expenditures exceed budget. Also, M&amp;B will reassess compliance requirements during the budget development process and monitor throughout the year.</p> <p>Per Public Act 2 of 1968, Section 141.434 (5) - Management agrees with the finding. A thorough discussion with responsible officials, including elected office personnel impacted by this finding will take place. Processes and procedures will be documented and implemented to ensure that an annual budget is adopted in accordance with Michigan Laws and Regulations.</p>

## Schedule of Findings and Questioned Costs (Continued)

Year Ended September 30, 2022

### Section II - Financial Statement Audit Findings (Continued)

Reference Number	Finding
2022-004	<p><b>Finding Type</b> - Material weakness (repeat finding)</p> <p><b>Criteria</b> - The County should have a process in place to reconcile bank activity on a timely basis, to support bank reconciliation items, and to ensure cash balances are properly stated at year end.</p> <p><b>Condition</b> - While significant improvements have been made over the past several years, and the County does have adequate procedures in place, they lacked the operational effectiveness to ensure that all bank accounts were fully reconciled to the general ledger, that the reconciling items could be supported, and that reconciliations were performed and reviewed timely.</p> <p><b>Context</b> - The County's Office of Management and Budget and the Wayne County Treasurers' Office (WCTO) have a two-step process for reconciling the GEN pool and RESV pool cash from the bank to the general ledger system. The treasurers' office is involved in the first part of the process to reconcile the bank balances with the cash ledger balances of RESIQ2/Sympro, the tracking system for cash and investment balances utilized by the WCTO, while management and budget is responsible for the second part of the reconciliation process to reconcile the cash ledger balances of RESIQ2/Sympro by pool to the general ledger system. It was identified that in various months during the year, both reconciliations were not prepared and reviewed on a timely basis.</p> <p><b>Cause</b> - There were timing differences of when monthly cash ledger reports from the WCTO were received by the Office of Management and Budget, which resulted in delays in the overall preparation and review.</p> <p><b>Effect</b> - Without timely preparation and review of bank reconciliations, the County could fail to identify errors or misappropriations timely.</p> <p><b>Recommendation</b> - The County should develop a bank reconciliation process involving both the Office of Management and Budget and the Wayne County Treasurers Office and ensure bank reconciliations are prepared and reviewed timely.</p> <p><b>Views of Responsible Officials and Planned Corrective Actions</b> - Management agrees with this finding. Bank reconciliations for the majority of bank accounts were done monthly and reviewed timely. Management has initiated a procedural change to address the two bank reconciliations that have not been prepared and reviewed timely. Management also notes that new hires were made in the unit at the end of FY 2022, with training implemented in FY 2023, and greater operational efficiencies should result from the new hires.</p>

## Schedule of Findings and Questioned Costs (Continued)

Year Ended September 30, 2022

### Section II - Financial Statement Audit Findings (Continued)

Reference Number	Finding
2022-005	<p><b>Finding Type</b> - Material weakness (repeat finding)</p> <p><b>Criteria</b> - The County should have a process in place to reconcile inmate property cash activity to the jail management system.</p> <p><b>Condition</b> - The County did not have procedures in place to ensure that the inmate property bank account reconciled to the inmate cash balances per the jail management system.</p> <p><b>Context</b> - It was identified that a reconciliation of inmate property cash accounts and the inmate cash balances per the jail management system is not performed. The cash reconciliation that is prepared notes that the inmate property cash on hand equates to approximately \$1.9 million; however, the jail management system (JMS) only supports inmate deposits of \$816,144.</p> <p><b>Cause</b> - The County does not have a process in place to ensure an adequate reconciliation of inmate property balances has been performed.</p> <p><b>Effect</b> - Without adequate preparation of cash reconciliations, there is an increased risk a misappropriation of assets would go undetected.</p> <p><b>Recommendation</b> - The County should develop a process to ensure that the inmate property bank account is reconciled to the jail management system and that cash reconciling items be reviewed for proper escheating to the State.</p> <p><b>Views of Responsible Officials and Planned Corrective Actions</b> - The activity in this account and JMS is voluminous, with many elements affecting the account and balances. The Sheriff's office, in conjunction with M&amp;B and WCTO, will develop a process that includes the forwarding of monthly reconciliations to M&amp;B and WCTO so that M&amp;B can update the general ledger monthly after WCTO reviews the reconciliation.</p>

## Schedule of Findings and Questioned Costs (Continued)

Year Ended September 30, 2022

### Section II - Financial Statement Audit Findings (Continued)

Reference Number	Finding
2022-006	<p><b>Finding Type</b> - Material weakness (repeat finding)</p> <p><b>Criteria</b> - The County should have a process in place to accurately reconcile the year end balances within the Cash Receipts Fund.</p> <p><b>Condition</b> - The County did not have procedures in place to ensure that the balances within the Cash Receipts Fund were properly reconciled at year end.</p> <p><b>Context</b> - Based on testing performed and other observations made throughout the audit, the County cannot support all asset and liability accounts within the Cash Receipts Fund.</p> <p><b>Cause</b> - The County did not perform a proper reconciliation of the balances within the Cash Receipts Fund, and the County did not have the proper controls in place.</p> <p><b>Effect</b> - Without adequate reconciliations of the County's year-end balances within the Cash Receipts Fund, the County could fail to identify errors or misappropriations timely.</p> <p><b>Recommendation</b> - The County should develop a process to ensure that the balances within the Cash Receipts Fund are reconciled timely and accurately.</p> <p><b>Views of Responsible Officials and Planned Corrective Actions</b> - Management agrees with this comment. Management is reengineering processes to ensure that reconciliations are completed and reviewed monthly.</p>



## Schedule of Findings and Questioned Costs (Continued)

Year Ended September 30, 2022

### Section II - Financial Statement Audit Findings (Continued)

Reference Number	Finding
2022-007	<p><b>Finding Type</b> - Material weakness (repeat finding)</p> <p><b>Criteria</b> - The County should have a process in place to accurately reconcile the year-end balances within the fiduciary funds and move certain activities to the General Fund for financial reporting purposes.</p> <p><b>Condition</b> - The County did not have procedures in place to ensure that the balances within the fiduciary funds were properly reconciled at year end and the necessary activities were appropriately moved to the General Fund.</p> <p><b>Context</b> - During testing, we identified a \$12.8 million passed adjustment for unsubstantiated liabilities originally accounted for in the fiduciary funds but moved to the General Fund. Plante &amp; Moran, PLLC also documented a passed adjustment to move \$2.8 million of cash with fiscal agents from a custodial fund to the General Fund and a \$2.0 million adjustment to increase miscellaneous revenue and decrease liabilities in the General Fund.</p> <p><b>Cause</b> - The County did not perform a proper reconciliation of the balances within fiduciary funds. Additionally, the County's year-end process used to adjust fiduciary activities and move certain items to the General Fund is overly complicated and lacks focus on what the end results should be.</p> <p><b>Effect</b> - Without adequate reconciliations and procedures in place related to year-end fiduciary activities, there is a greater risk of errors not being detected.</p> <p><b>Recommendation</b> - The County should develop a process to ensure that the balances within the fiduciary funds are reconciled timely and accurately. The year-end process for adjusting fiduciary activities and moving certain items to the General Fund should be simplified, with a focus on achieving the proper end results.</p> <p><b>Views of Responsible Officials and Planned Corrective Actions</b> - Management agrees with the finding. However, this finding is directly related to GASB 84 (fiduciary activities) implementation. It was noted that several county offices are involved in the reconciliation process. Therefore, the County is in the process of coordinating with other offices to develop procedures to ensure that the year-end account balances within the fiduciary funds are properly stated.</p>

## Schedule of Findings and Questioned Costs (Continued)

Year Ended September 30, 2022

### Section II - Financial Statement Audit Findings (Continued)

Reference Number	Finding
2022-008	<p><b>Finding Type</b> - Material weakness (repeat finding)</p> <p><b>Criteria</b> - The County should have a process in place to reconcile bank activity on a timely basis, to support bank reconciliation items, and to ensure cash balances are properly stated at year end.</p> <p><b>Condition</b> - The County did not have procedures in place to ensure that all bank accounts were fully reconciled to the general ledger, that the reconciling items could be supported, and that reconciliations were performed and reviewed timely.</p> <p><b>Context</b> - Off ledger cash accounts - those not included in the treasurer's pool - were not properly reconciled to the general ledger. While insignificant in amount, Plante &amp; Moran, PLLC recommends reconciling to the general ledger in the event it does become significant and clearing old/closed accounts. Reconciling also reduces risk of fraud.</p> <p><b>Cause</b> - The County did not identify the individual or resources necessary to ensure accurate preparation of bank reconciliations or that the off-ledger reconciliations were prepared and reviewed timely.</p> <p><b>Effect</b> - Without timely preparation and review of bank reconciliations, the County could fail to identify errors or misappropriations timely.</p> <p><b>Recommendation</b> - The County should develop a bank reconciliation process to ensure bank reconciliations are prepared and reviewed timely.</p> <p><b>Views of Responsible Officials and Planned Corrective Actions</b> - Management partially agrees with this finding. County departments forward their off-ledger bank reconciliations to the WCTO on a monthly basis; however, each county department has a designated individual responsible for ensuring the accurate preparation of off-ledger bank reconciliations. The County (WCTO and M&amp;B jointly) will develop a process that includes the forwarding of off-ledger reconciliations simultaneously to M&amp;B so that M&amp;B can update the general ledger on a monthly basis. M&amp;B will endeavor to ensure that county departments submit their off-ledger reconciliations to WCTO on a timely basis.</p>

## Schedule of Findings and Questioned Costs (Continued)

Year Ended September 30, 2022

### Section II - Financial Statement Audit Findings (Continued)

Reference Number	Finding
2022-009	<p><b>Finding Type</b> - Significant deficiency (repeat finding)</p> <p><b>Criteria</b> - The County should have a process in place to reconcile the delinquent tax balances at year end.</p> <p><b>Condition</b> - The County did not have procedures in place to ensure that the delinquent tax receivable balances and interest revenue accounts were properly stated at year end.</p> <p><b>Context</b> - The property tax administration (PTA) system incorrectly allocated returned check transactions between principal and interest payments on delinquent taxes. As a result, a PAJE correction in the amount of \$1,967,263 was identified to increase the delinquent tax receivable and to increase the delinquent tax interest revenue.</p> <p><b>Cause</b> - The County does not have a process in place to ensure an adequate reconciliation of the delinquent tax account balances.</p> <p><b>Effect</b> - Without adequate reconciliations of the County's delinquent tax balances, the County could fail to identify errors or misappropriations timely.</p> <p><b>Recommendation</b> - The County should develop a process to ensure that the delinquent tax accounts are reconciled timely and accurately.</p> <p><b>Views of Responsible Officials and Planned Corrective Actions</b> - Management agrees with the findings. Management has established a work group to review property tax administration system mapping to the general ledger by revenue source. The goal of the work group is to ensure that mapping is accurate, monthly reconciliations are prepared, and the team is properly trained. Management anticipates completing the project by September 2023.</p>

## Schedule of Findings and Questioned Costs (Continued)

Year Ended September 30, 2022

### Section II - Financial Statement Audit Findings (Continued)

Reference Number	Finding
2022-010	<p><b>Finding Type</b> - Significant deficiency (repeat finding)</p> <p><b>Criteria</b> - The County should have a process in place to support the year-end balances within the Undistributed Tax Fund.</p> <p><b>Condition</b> - The County did not have procedures in place to ensure that the balances within the Undistributed Tax Fund were properly reconciled at year end.</p> <p><b>Context</b> - We noted significant improvement on the reconciling of larger accounts within the Undistributed Tax Fund; however, there was not adequate oversight of the less significant asset and liability accounts or the fund as a whole.</p> <p><b>Cause</b> - The County did not perform a proper reconciliation of all balances within the Undistributed Tax Fund, and the County did not have the proper controls in place.</p> <p><b>Effect</b> - Without adequate reconciliations of the County's year-end balances within the Undistributed Tax Fund, the County could fail to identify errors or misappropriations timely.</p> <p><b>Recommendation</b> - The County should develop a process to ensure that the balances within the Undistributed Tax Fund are reconciled timely and accurately.</p> <p><b>Views of Responsible Officials and Planned Corrective Actions</b> - Management agrees with this finding. Subsequent to the fiscal year 2022 audit, management has increased the tax accounting staff by adding a department administrator and staff accountant. Also, management has reviewed staff roles and responsibilities and made shifts to ensure that reconciliations are prepared promptly and accurately.</p>

## Schedule of Findings and Questioned Costs (Continued)

Year Ended September 30, 2022

### Section III - Federal Program Audit Findings

Reference Number	Finding
2022-011	<p><b>Assistance Listing Number, Federal Agency, and Program Name</b> - 10.557, U.S. Department of Agriculture - WIC Special Supplemental Nutrition Program for Women, Infants, and Children</p> <p><b>Federal Award Identification Number and Year</b> E2022241300; E20223664-00</p> <p><b>Pass-through Entity</b> - Michigan Department of Health and Human Services</p> <p><b>Finding Type</b> - Material weakness and material noncompliance with laws and regulations</p> <p><b>Repeat Finding</b> - No</p> <p><b>Criteria</b> - Per 2 CFR 200.501(g), federal award compliance requirements normally do not pass through to the contractors. However, the grant recipient is responsible for ensuring compliance for procurement transactions that are structured such that the contractor is responsible for program compliance, or the contractor's records must be reviewed to determine program compliance.</p> <p><b>Condition</b> - Controls in place were not adequate to ensure the County maintained responsibility for compliance with eligibility standards when eligibility determinations are made by the contractor.</p> <p><b>Questioned Costs</b> - None</p> <p><b>Identification of How Questioned Costs Were Computed</b> - Not applicable, as there are no questioned costs.</p> <p><b>Context</b> - During eligibility testing, we noted 16 out of 40 eligibility samples where employers of the contractor performed both the intake and the certification and review function, with no further review by a county representative.</p> <p><b>Cause and Effect</b> - The County is subject to the MI-WIC Policy issued by the Michigan Department of Health and Human Services, which stresses the importance of maintaining appropriate separation of duties when performing the intake and certification of eligible program participants. While the County has designed its controls in conjunction with the MI-WIC Policy guidance, these controls are not adequate to ensure compliance with Uniform Guidance, which requires the County have controls in place to ensure that a representative of the County performs a review of eligibility intake and certification performed by contractor employees.</p> <p><b>Recommendation</b> - We recommend the County implement a process by which a county representative performs a review of contractor eligibility determinations.</p> <p><b>Views of Responsible Officials and Corrective Action Plan</b> - Management will implement and follow a process of reviewing of eligibility intake and certification performed by contractor employees by an internal county representative. This will be completed by the internal county WIC compliance manager or designee and will utilize the audit tools provided by the State that include monitoring of eligibility intake and certification. The WIC compliance manager will request contractors to complete audit reporting templates monthly and flag any items in need of further investigation with the contractor.</p>

## Schedule of Findings and Questioned Costs (Continued)

Year Ended September 30, 2022

### Section III - Federal Program Audit Findings (Continued)

Reference Number	Finding
2022-012	<p><b>Assistance Listing Number, Federal Agency, and Program Name</b> - 93.224, Department of Health and Human Services, Health Center Cluster, including COVID-19</p> <p><b>Federal Award Identification Number and Year</b> - H80CS24135-08-03; 1 H8FCS41413-01-00</p> <p><b>Pass-through Entity</b> - N/A</p> <p><b>Finding Type</b> - Material weakness and material noncompliance with laws and regulations</p> <p><b>Repeat Finding</b> - No</p> <p><b>Criteria</b> - Health centers must prepare and apply a sliding fee discount schedule so that the amounts owed for health center services by eligible patients are adjusted (discounted) based on the patient's ability to pay as follows:</p> <ul style="list-style-type: none"><li>a. Sliding fee discounts are applied to fees for health center services provided to all individuals and families with annual incomes at or below 200 percent of the federal poverty guidelines (FPG), or the health center applies only a nominal charge.</li><li>b. A full discount is applied to fees for the health center's services provided to individuals and families with annual incomes at or below 100 percent of the FPG, or the health center applies only a nominal charge.</li><li>c. Fees for health center services are discounted based on gradations in family size and income for individuals and families with incomes above 100 and at or below 200 percent of the FPG.</li><li>d. No sliding fee discount is applied to fees for health center services provided to individuals and families with annual incomes above 200 percent of the FPG.</li></ul> <p><b>Condition</b> - The County has a sliding fee discount policy that is based on income and family size and schedule in place; however, it was not followed for all patients during the year.</p> <p><b>Questioned Costs</b> - None</p> <p><b>Identification of How Questioned Costs Were Computed</b> - N/A</p> <p><b>Context</b> - Of a sample of 40 patients during the year, the sliding fee discount applied for 4 of those patients was not in accordance with the County's approved sliding fee discount schedule in place.</p> <p><b>Cause and Effect</b> - Inaccurate data input by intake staff was the identified cause for three of the errors, and an incorrect calculation by the electronic health record system that was not detected was the cause for one error. The result was that the patients were not charged the correct amount for services based on the sliding fee discount for which they qualified based on supporting documentation provided by the patient.</p> <p><b>Recommendation</b> - We recommend a process be implemented to ensure the sliding fee discount provided to the patients is reviewed within the electronic health record system for inconsistency with the patient-provided support for the discount.</p> <p><b>Views of Responsible Officials and Planned Corrective Actions</b> - Management will implement and follow a process of reviewing accuracy of intake data and application of sliding fee calculations performed by co-applicant employees by an internal county representative.</p>

## Schedule of Findings and Questioned Costs (Continued)

Year Ended September 30, 2022

### Section III - Federal Program Audit Findings (Continued)

Reference Number	Finding
2022-013	<p><b>Assistance Listing Number, Federal Agency, and Program Name</b> - 21.023, Department of the Treasury, COVID-19 Emergency Rental Assistance Program</p> <p><b>Federal Award Identification Number and Year</b> - ERA2-0476</p> <p><b>Pass-through Entity</b> - N/A</p> <p><b>Finding Type</b> - Material weakness and material noncompliance with laws and regulations</p> <p><b>Repeat Finding</b> - No</p> <p><b>Criteria</b> - Per 2 CFR 200.303(a), the nonfederal entity must establish and maintain effective internal control over the federal award that provides reasonable assurance that the nonfederal entity is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award.</p> <p>Per the 2022 Compliance Supplement for ALN 21.023, financial assistance for eligible households may include payment of rent, rent arrears, utilities and home energy costs, utilities and home energy costs arrears, and any other expenses related to housing.</p> <p><b>Condition</b> - The County did not have adequate controls in place to ensure that payments to beneficiaries were calculated correctly.</p> <p><b>Questioned Costs</b> - \$21,529</p> <p><b>Identification of How Questioned Costs Were Computed</b> - Questioned costs were computed based on the difference between the rental assistance payment disbursed and the rental assistance payment calculated in accordance with the U.S. Treasury guidance.</p> <p><b>Context</b> - Out of a sample of 60 assistance cases selected for testing, 6 samples were not calculated in accordance with the U.S. Department of the Treasury's guidance. The inaccurate calculation caused an overpayment in rental assistance charged to the program and paid to the beneficiary. In 3 of the 6 instances, the County did not consider partial rent payments made by the beneficiaries. In the other instances, the County did not have adequate documentation to support an amount included in the calculation of benefits.</p> <p><b>Cause and Effect</b> - While the County has procedures in place to review the rental assistance calculations, management's review did not prevent an inaccurate assistance payment. As a result, the County disbursed an amount that was not calculated in accordance with the U.S. Department of the Treasury's guidance.</p> <p><b>Recommendation</b> - We recommend that the County review its controls specific to the calculation of benefits to ensure that inputs used in the calculation are supported by adequate documentation. We also recommend that the County assess whether the reviewer should be required to recalculate the benefit payment.</p> <p><b>Views of Responsible Officials and Planned Corrective Actions</b> - Management will implement and follow a process of reviewing of consultant administered activity for accuracy by an internal county representative.</p>

## Schedule of Findings and Questioned Costs (Continued)

Year Ended September 30, 2022

### Section III - Federal Program Audit Findings (Continued)

Reference Number	Finding
2022-014	<p><b>Assistance Listing Number, Federal Agency, and Program Name</b> - 14.218 - U.S. Department of Housing and Urban Development (HUD) - Community Development Block Grant (CDBG) - Entitlement Grants Cluster</p> <p>14.239 - U.S. Department of Housing and Urban Development (HUD) - HOME Investment Partnership (HOME)</p> <p>93.563 - Title IV-D, U.S. Department of Health and Human Service - Child Support Enforcement (CSE)</p> <p><b>Federal Award Identification Number and Year</b> - CDBG - B-20-UC-26-0003 and B-21-UC-26-0003</p> <p>HOME - M-21-DC260213</p> <p>CSE - CSCOM-17-82003</p> <p><b>Pass-through Entity</b> - HOME and CDBG - N/A, direct funded</p> <p>CSE - Michigan Department of Health and Human Services</p> <p><b>Finding Type</b> - Material weakness and material noncompliance with laws and regulations</p> <p><b>Repeat Finding</b> - No</p> <p><b>Criteria</b> - 2 CFR Appendix V to Part 200 requires each major local government, defined as a local government that receives more than \$100 million in direct federal awards, to submit annually to its federal cognizant agency a cost allocation plan where central service costs can be identified and assigned to benefited activities on a reasonable and consistent basis.</p> <p><b>Condition</b> - Controls in place were not adequate to ensure compliance with 2 CFR 200 Appendix V submission requirements for the County's self-insurance cost allocation process and annual chargeback plan.</p> <p><b>Questioned Costs</b> - None</p> <p><b>Identification of How Questioned Costs Were Computed</b> - Not applicable, as there were no questioned costs</p> <p><b>Context</b> - During our review of the County's process for allocating self-insurance costs across the various departments and the annual chargeback plan, we noted the County did not submit its plan for self-insurance costs, nor its annual action plan to its federal cognizant agency for approval. The underlying costs and the allocation methodology were allowable and reasonable, as supported by documentation, thus creating no questioned costs.</p> <p>Beginning in 2020 with the influx of COVID-19 funding, the County received direct-funded awards in excess of \$100 million, therefore, becoming a major local government. Prior to 2020, the County was only required to develop a cost allocation plan in accordance with 2 CFR 200 and maintain the plan and related supporting documentation for audit.</p> <p><b>Cause and Effect</b> - Procedures and controls in place were not adequate to identify that the County became a major local government requiring different documentation and submission requirements for the self-insurance cost allocation process and annual chargeback plan. As a result, these plans were not submitted to the cognizant agency for approval.</p>



Schedule of Findings and Questioned Costs (Continued)

Year Ended September 30, 2022

Section III - Federal Program Audit Findings (Continued)

Reference Number	Finding
2022-014 (Continued)	<p><b>Recommendation</b> - We recommend the County review 2 CFR 200, including the applicable Appendixes, to assess the submission and documentation requirements for all cost allocation methodologies. Additionally, we recommend that the County document its methodology for allocating self-insurance costs and annual chargeback costs across the various departments, including formalizing its documentation surrounding procedures and controls. Further, we recommend the County implement a process for ensuring these plans are submitted to a federal cognizant agency for approval.</p> <p><b>Views of Responsible Officials and Planned Corrective Actions</b> - Management agrees and will submit subsequent plans to federal cognizant agency, as required by 2 CFR 200.</p>