

**COMMONWEALTH OF MASSACHUSETTS**

**UNIFORM GUIDANCE  
SINGLE AUDIT REPORT**

**YEAR ENDED JUNE 30, 2021**



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**INDEPENDENT AUDITORS' 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***

Mr. William McNamara, Comptroller  
Commonwealth of Massachusetts  
Boston, Massachusetts

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Commonwealth of Massachusetts Single Audit (Commonwealth), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Commonwealth's basic financial statements and have issued our report thereon dated April 28, 2022. Our report contains an emphasis of matters paragraph for the correction of an error and the Massachusetts Department of Transportation, a discretely presented component unit, implementation of Governmental Accounting Standards Board (GASB) Statement No. 84, Fiduciary Activities. Our report also includes a reference to other auditors who audited the financial statements of certain activities, funds and component units of the Commonwealth, which represent the indicated percentages of total assets and total revenues as described in our report on the Commonwealth's financial statements and as presented in the following table.

Opinion Unit	Entity	Percent of Opinion Unit's Total	
		Assets	Revenues / Additions
Governmental Activities	Lotteries Fund; Massachusetts School Building Authority Fund	5.83%	9.82%
Business-Type Activities	University of Massachusetts; State Universities; Community Colleges	71.83%	16.96%
Lotteries Fund	Lotteries Fund	6.63%	100.00%
Massachusetts School Building Authority Fund	Massachusetts School Building Authority Fund	100.00%	100.00%
University of Massachusetts	University of Massachusetts	100.00%	100.00%
State Universities	State Universities	100.00%	100.00%
Community Colleges	Community Colleges	100.00%	100.00%

Opinion Unit	Entity	Percent of Opinion Unit's Total	
		Assets	Revenues / Additions
Aggregate Remaining Fund Information	External Investment Trust Funds	24.92%	40.39%
Aggregate Discretely Presented Component Units	Massachusetts Department of Transportation; Commonwealth Health Insurance Connector; Massachusetts Clean Water Trust; Massachusetts Convention Center Authority; Massachusetts Development Finance Agency; Massachusetts Clean Energy Center; Massachusetts Technology Park Corporation; Massachusetts Housing Partnership; Economic Development Entities; Higher Education Foundations	100.00%	100.00%

This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those other auditors. The financial statements of the Massachusetts Municipal Depository Trust and the Massachusetts Growth Capital Corporation were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or reportable instances of noncompliance associated with these entities.

### Report on Internal Control Over Financial Reporting

In planning and performing our audit of the basic financial statements, we considered the Commonwealth'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 Commonwealth's internal control. Accordingly, we do not express an opinion on the effectiveness of the Commonwealth'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 have not been identified. However, as described in the accompanying schedule of findings and responses, 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 entity'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 responses as items 2021-001 and 2021-002 to be material weaknesses.

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 responses as items 2021-003, 2021-004, 2021-005, and 2021-006 to be significant deficiencies.

Mr. William McNamara, Comptroller  
Commonwealth of Massachusetts

**Report on Compliance and Other Matters**

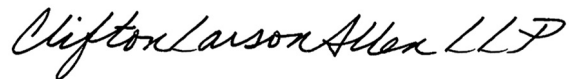
As part of obtaining reasonable assurance about whether the Commonwealth's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

**The Commonwealth's Responses to Findings**

The Commonwealth's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. The Commonwealth's responses were not subjected to the 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 Commonwealth'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 Commonwealth's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



**CliftonLarsonAllen LLP**

Boston, Massachusetts  
April 28, 2022



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR  
FEDERAL PROGRAM, REPORT ON INTERNAL CONTROL OVER COMPLIANCE, AND  
REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
REQUIRED BY THE UNIFORM GUIDANCE**

Mr. William McNamara, Comptroller  
Commonwealth of Massachusetts  
Boston, Massachusetts

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

We have audited the Commonwealth of Massachusetts' (the Commonwealth) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Commonwealth's major federal programs for the year ended June 30, 2021. The Commonwealth's major federal programs are identified in the summary of auditors results section of the accompanying schedule of findings and questioned costs.

As discussed in Note 1 to the schedule of expenditures of federal awards, the Commonwealth's basic financial statements include the operations of certain entities whose federal awards are not included in the accompanying schedule of expenditures of federal awards for the year ended June 30, 2021. Our audit, described below, did not include the operations of the entities identified in note 1 as these entities conducted separate audits in accordance with the Uniform Guidance, if required.

***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of the Commonwealth's major federal programs based on our audit of the types of compliance requirements referred to above. 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Commonwealth's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Commonwealth's compliance.

***Basis for Qualified Opinions on Certain Major Federal Programs***

As described in the accompanying schedule of findings and questioned costs, the Commonwealth did not comply with requirements regarding:

Program	Assistance Listing	Noncompliance	Finding Number
Unemployment Insurance	17.225	Special Tests - UI Program Integrity- Overpayments	2021-008
Presidential Declared Disaster Assistance to Individuals and Households - Other Needs	97.050	Reporting	2021-028

Compliance with such requirements is necessary, in our opinion, for the Commonwealth to comply with requirements applicable to those programs.

***Qualified Opinions***

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, the Commonwealth 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 the programs for the year ended June 30, 2021.

***Unmodified Opinion on Each of the Other Major Federal Programs***

In our opinion, the Commonwealth 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 auditors results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2021.

***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 items 2021-007, 2021-009, 2021-010, 2021-011, 2021-012, 2021-014, 2021-015, 2021-016, 2021-018, 2021-019, 2021-021, 2021-022, 2021-023, 2021-024, 2021-025, 2021-026 and 2021-027. Our opinion on each major federal program is not modified with respect to these matters.

The Commonwealth's responses to the noncompliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The Commonwealth's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

## **Report on Internal Control over Compliance**

Management of the Commonwealth is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Commonwealth's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Commonwealth's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies 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 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 items 2021-008 and 2021-028 to be material weaknesses.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2021-007, 2021-009, 2021-010, 2021-011, 2021-012, 2021-013, 2021-014, 2021-015, 2021-016, 2021-017, 2021-018, 2021-019, 2021-020, 2021-021, 2021-022, 2021-023, 2021-024, 2021-025, 2021-026 and 2021-027 to be significant deficiencies.

The Commonwealth's responses to the internal control over compliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The Commonwealth's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

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.



Mr. William McNamara, Comptroller  
Commonwealth of Massachusetts

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

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Commonwealth as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Commonwealth's basic financial statements. We issued our report thereon dated September 8, 2022, that referred to the reports of other auditors and contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

**CliftonLarsonAllen LLP**

Boston, Massachusetts  
September 8, 2022

**COMMONWEALTH OF MASSACHUSETTS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2021**

Assistance Listing	Program/Cluster Name	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
<b>U.S Department of Agriculture:</b>				
10.025	Plant and Animal Disease, Pest Control, and Animal Care		\$ -	\$ 4,048,643
10.093	Voluntary Public Access and Habitat Incentive Program		56,219	56,219
10.170	Specialty Crop Block Grant Program - Farm Bill		268,242	387,001
10.171	Organic Certification Cost Share Programs		20,975	20,975
10.178	Trade Mitigation Program Eligible Recipient Agency Operational Funds		751,200	751,200
10.536	CACFP Training Grants		14,549	14,549
10.542	COVID-19 - Pandemic EBT Food Benefits		-	621,814,771
10.557	WIC Special Supplemental Nutrition Program for Women, Infants, and Children		58,569,067	67,316,582
10.557	COVID-19 - WIC Special Supplemental Nutrition Program for Women, Infants, and Children		7,225,842	7,225,842
	<b>Total WIC Special Supplemental Nutrition Program for Women, Infants, and Children</b>		<b>65,794,909</b>	<b>74,542,424</b>
10.558	Child and Adult Care Food Program		39,872,034	40,745,152
10.560	State Administrative Expenses for Child Nutrition		-	4,152,112
10.572	WIC Farmers' Market Nutrition Program (FMNP)		-	340,713
10.576	Senior Farmers Market Nutrition Program		-	483,639
10.578	WIC Grants To States (WGS)		-	128,153
10.580	Supplemental Nutrition Assistance Program, Process and Technology Improvement Grants		-	451,100
10.582	Fresh Fruit and Vegetable Program		1,881,854	2,033,297
10.649	COVID-19 - Pandemic EBT Administrative Costs		-	3,407,553
10.664	Cooperative Forestry Assistance		170,214	943,644
10.676	Forest Legacy Program		-	2,048,670
10.680	Forest Health Protection		-	37,584
10.868	Rural Energy for America Program		21,396	25,211
10.916	Watershed Rehabilitation Program		-	1,717,560
10.931	Agricultural Conservation Easement Program		1,364,889	1,861,489
10.932	Regional Conservation Partnership Program		-	20,330
			-	-
	<b>SNAP Cluster:</b>		-	-
10.551	Supplemental Nutrition Assistance Program		1,880	1,937,727,235
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program		7,370,459	76,754,987
	<b>Total SNAP Cluster</b>		<b>7,372,339</b>	<b>2,014,482,222</b>
	<b>Child Nutrition Cluster:</b>			
10.555	National School Lunch Program		56,178,633	56,178,633
10.555	COVID-19 - National School Lunch Program		98,452,724	98,452,724
	<b>Total National School Lunch Program</b>		<b>154,631,357</b>	<b>154,631,357</b>
10.559	Summer Food Service Program for Children		171,925,432	173,173,780
10.579	Child Nutrition Discretionary Grants Limited Availability		450,736	450,736
	<b>Total Child Nutrition Cluster</b>		<b>327,007,525</b>	<b>328,255,873</b>
	<b>Food Distribution Cluster:</b>			
10.565	Commodity Supplemental Food Program		195,423	203,522
10.568	Emergency Food Assistance Program (Administrative Costs)		1,107,722	1,246,713
10.568	COVID-19 - Emergency Food Assistance Program (Administrative Costs)		150,000	150,000
	<b>Total Emergency Food Assistance Program (Administrative Costs)</b>		<b>1,257,722</b>	<b>1,396,713</b>
	<b>Total Food Distribution Cluster</b>		<b>1,453,145</b>	<b>1,600,235</b>
	<b>Total U.S. Department of Agriculture</b>		<b>446,049,490</b>	<b>3,104,370,319</b>

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**COMMONWEALTH OF MASSACHUSETTS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)  
YEAR ENDED JUNE 30, 2021**

Assistance Listing	Program/Cluster Name	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
<b>U.S. Department of Commerce:</b>				
11.407	Interjurisdictional Fisheries Act of 1986		\$ -	\$ 214,145
11.417	Sea Grant Support		94,925	158,239
11.419	Coastal Zone Management Administration Awards		-	2,905,919
11.420	Coastal Zone Management Estuarine Research Reserves		29,106	669,572
11.454	Unallied Management Projects		-	1,061,695
11.463	Habitat Conservation		44,203	138,455
11.472	Unallied Science Program		699,148	774,793
11.474	Atlantic Coastal Fisheries Cooperative Management Act		-	310,862
<b>Research And Development Program Cluster:</b>				
11.427	Fisheries Development and Utilization Research and Development Grants and Cooperative Agreements Program		3,098	13,257
<b>Total Research And Development Program Cluster</b>			3,098	13,257
<b>Total U.S. Department of Commerce</b>			870,480	6,246,937
<b>U.S. Department of Defense:</b>				
12.113	State Memorandum of Agreement Program for the Reimbursement of Technical Services		-	583,149
12.400	Military Construction, National Guard		-	1,292,484
12.401	National Guard Military Operations and Maintenance (O&M) Projects		54,831	41,662,662
<b>Total U.S. Department of Defense</b>			54,831	43,538,295
<b>U.S. Department of Housing and Urban Development:</b>				
14.181	Supportive Housing for Persons with Disabilities		1,542,416	1,542,416
14.228	Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii		27,431,527	28,408,565
14.228	COVID-19 - Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii		20,346,758	20,713,028
<b>Total Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii</b>			47,778,285	49,121,593
14.231	Emergency Solutions Grant Program		795,111	993,090
14.231	COVID-19 - Emergency Solutions Grant Program		11,530,825	11,653,600
<b>Total Emergency Solutions Grant Program</b>			12,325,936	12,646,690
14.238	Shelter Plus Care		202,426	202,426
14.239	Home Investment Partnerships Program		-	245,529,705
14.241	Housing Opportunities for Persons with AIDS		317,711	317,711
14.241	COVID-19 - Housing Opportunities for Persons with AIDS		16,356	16,356
<b>Total Housing Opportunities for Persons with AIDS</b>			334,067	334,067
14.267	Continuum of Care Program		9,825,726	11,363,163
14.275	Housing Trust Fund		3,575,803	3,892,099
14.326	Project Rental Assistance Demonstration (PRA Demo) Program of Section 811 Supportive Housing for Persons with Disabilities		978,409	1,011,082
14.401	Fair Housing Assistance Program State and Local		-	1,020,031
14.880	Family Unification Program (FUP)		2,785,970	2,785,970
14.881	Moving to Work Demonstration Program		-	-
14.881	COVID-19 - Moving to Work Demonstration Program		298,092,797	301,282,222
<b>Total Moving to Work Demonstration Program</b>			19,544,566	19,544,566
			317,637,363	320,826,788

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**COMMONWEALTH OF MASSACHUSETTS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)  
YEAR ENDED JUNE 30, 2021**

Assistance Listing	Program/Cluster Name	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
<b><i>U.S. Department of Housing and Urban Development (continued):</i></b>				
14.896	Family Self-Sufficiency Program		\$ 890,421	\$ 924,408
14.906	Healthy Homes Technical Studies Grants		103,705	209,057
<b>Section 8 Project-Based Cluster:</b>				
14.182	Section 8 New Construction and Substantial Rehabilitation		8,732,217	11,019,212
14.856	Lower Income Housing Assistance Program Section 8 Moderate Rehabilitation		7,152,413	7,267,637
<b>Total Section 8 Project-Based Cluster</b>			<b>15,884,630</b>	<b>18,286,849</b>
<b>Housing Voucher Cluster:</b>				
14.871	Section 8 Housing Choice Vouchers		7,233,223	7,233,223
14.879	COVID-19 - Mainstream Vouchers		77,580	77,580
<b>Total Housing Voucher Cluster</b>			<b>7,310,803</b>	<b>7,310,803</b>
<b>Total U.S. Department of Housing and Urban Development</b>			<b>421,175,960</b>	<b>677,007,147</b>
<b><i>U.S. Department of the Interior:</i></b>				
15.608	Fish and Wildlife Management Assistance		-	33,497
15.614	Coastal Wetlands Planning, Protection and Restoration		455,748	1,561,649
15.615	Cooperative Endangered Species Conservation Fund		-	87,425
15.616	Clean Vessel Act		716,598	934,314
15.622	Sportfishing and Boating Safety Act		26,652	26,652
15.631	Partners for Fish and Wildlife		-	25,000
15.634	State Wildlife Grants		-	288,626
15.677	Hurricane Sandy Disaster Relief Activities-FWS		885,029	948,403
15.904	Historic Preservation Fund Grants-In-Aid		133,595	853,353
15.916	Outdoor Recreation Acquisition, Development and Planning		1,615,304	1,662,377
15.925	National Maritime Heritage Grants		75,000	75,000
15.957	Emergency Supplemental Historic Preservation Fund		-	388,386
<b>Fish and Wildlife Cluster:</b>				
15.605	Sport Fish Restoration		-	1,131,570
15.611	Wildlife Restoration and Basic Hunter Education		-	6,055,295
<b>Total Fish and Wildlife Cluster</b>			<b>-</b>	<b>7,186,865</b>
<b>Research And Development Program Cluster:</b>				
15.981	Water Use and Data Research		30,446	30,446
<b>Total Research And Development Program Cluster</b>			<b>30,446</b>	<b>30,446</b>
<b>Total U.S. Department of the Interior</b>			<b>3,938,372</b>	<b>14,101,993</b>
<b><i>U.S Department of Justice:</i></b>				
16.017	Sexual Assault Services Formula Program		393,846	414,856
16.021	Justice Systems Response to Families		78,698	159,628
16.034	COVID-19 - Coronavirus Emergency Supplemental Funding Program		2,170,000	5,755,949
16.123	Community-Based Violence Prevention Program		-	4,327
16.320	Services for Trafficking Victims		157,705	461,652
16.540	Juvenile Justice and Delinquency Prevention		67,659	237,540
16.543	Missing Children's Assistance		-	338,120
16.550	State Justice Statistics Program for Statistical Analysis Centers		-	173,537
16.554	National Criminal History Improvement Program (NCHIP)		-	378,637
16.575	Crime Victim Assistance		44,892,985	52,821,293
16.576	Crime Victim Compensation		-	318,850

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**COMMONWEALTH OF MASSACHUSETTS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)  
YEAR ENDED JUNE 30, 2021**

Assistance Listing	Program/Cluster Name	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
<b><i>U.S. Department of Justice (continued):</i></b>				
16.582	Crime Victim Assistance/Discretionary Grants		\$ 85,407	\$ 178,331
16.585	Drug Court Discretionary Grant Program		81,763	264,140
16.588	Violence Against Women Formula Grants		1,795,318	3,038,825
16.593	Residential Substance Abuse Treatment for State Prisoners		60,925	119,024
16.609	Project Safe Neighborhoods		114,555	371,263
16.710	Public Safety Partnership and Community Policing Grants		-	2,435,443
16.738	Edward Byrne Memorial Justice Assistance Grant Program		1,649,724	3,028,557
16.741	DNA Backlog Reduction Program		-	827,832
16.742	Paul Coverdell Forensic Sciences Improvement Grant Program		208,892	469,738
16.745	Criminal and Juvenile Justice and Mental Health Collaboration Program		186,718	202,348
16.746	Capital Case Litigation Initiative		79,929	162,869
16.750	Support for Adam Walsh Act Implementation Grant Program		-	462,492
16.751	Edward Byrne Memorial Competitive Grant Program		8,220	213,695
16.754	Harold Rogers Prescription Drug Monitoring Program		-	674,149
16.812	Second Chance Act Reentry Initiative		139,620	385,747
16.816	John R. Justice Prosecutors and Defenders Incentive Act		40,225	44,521
16.820	Postconviction Testing of DNA Evidence		9,495	111,076
16.825	Smart Prosecution Initiative		-	195,666
16.827	Justice Reinvestment Initiative		64,218	189,918
16.831	Children of Incarcerated Parents		-	139,574
16.833	National Sexual Assault Kit Initiative		-	425,398
16.835	Body Worn Camera Policy and Implementation		-	104,619
16.838	Comprehensive Opioid, Stimulant, and Substance Abuse Program		-	612,560
16.839	STOP School Violence		95,307	246,823
16.842	Opioid Affected Youth Initiative		-	276,894
16.922	Equitable Sharing Program		20,000	1,284,510
<b><i>Total U.S. Department of the Justice</i></b>			<b>52,401,209</b>	<b>77,530,401</b>
<b><i>U.S. Department of Labor:</i></b>				
17.002	Labor Force Statistics		-	1,851,766
17.005	Compensation and Working Conditions		-	100,216
17.225	Unemployment Insurance		2,465,920	2,675,171,625
17.225	COVID-19 - Unemployment Insurance		1,644	15,665,775,364
<b>Total Unemployment Insurance</b>			<b>2,467,564</b>	<b>18,340,946,989</b>
17.235	Senior Community Service Employment Program		1,289,182	1,426,648
17.245	Trade Adjustment Assistance		1,166,934	7,922,290
17.261	WIOA Pilots, Demonstrations, and Research Projects		-	583,373
17.268	H-1B Job Training Grants		632,305	666,737
17.271	Work Opportunity Tax Credit Program (WOTC)		-	416,649
17.273	Temporary Labor Certification for Foreign Workers		8,243	419,272
			-	-
17.277	WIOA National Dislocated Worker Grants / WIA National Emergency Grants		1,876,212	2,080,450
17.277	COVID-19 - WIOA National Dislocated Worker Grants / WIA National Emergency Grants		1,853,073	3,965,217
<b>Total WIOA National Dislocated Worker Grants / WIA National Emergency Grants</b>			<b>3,729,285</b>	<b>6,045,667</b>
17.285	Apprenticeship USA Grants		335,434	985,913
17.286	Hurricanes and Wildfires of 2017 Supplemental- National Dislocated Worker Grants		16,311	16,311
17.504	Consultation Agreements		-	1,550,028
17.600	Mine Health and Safety Grants		-	38,411

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**COMMONWEALTH OF MASSACHUSETTS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)  
YEAR ENDED JUNE 30, 2021**

Assistance Listing	Program/Cluster Name	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
<b>U.S. Department of Labor (continued):</b>				
<b>Employment Services Cluster:</b>				
17.207	Employment Service/Wagner-Peyser Funded Activities		\$ 4,417,457	\$ 13,236,492
17.801	Jobs for Veterans State Grants		318,153	2,393,195
<b>Total Employment Services Cluster</b>			<b>4,735,610</b>	<b>15,629,687</b>
<b>WIOA Cluster:</b>				
17.258	WIOA Adult Program		7,576,141	9,330,495
17.259	WIOA Youth Activities		9,349,384	10,903,021
17.278	WIOA Dislocated Worker Formula Grants		8,628,197	12,147,405
<b>Total WIOA Cluster</b>			<b>25,553,722</b>	<b>32,380,921</b>
<b>Total U.S. Department of Labor</b>			<b>39,934,590</b>	<b>18,410,980,878</b>
<b>U.S. Department of Transportation:</b>				
20.232	Commercial Driver's License Program Implementation Grant		-	40,947
20.320	Rail Line Relocation and Improvement		-	120,173
20.505	Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research		64,090	240,350
20.509	Formula Grants for Rural Areas and Tribal Transit Program		3,238,410	3,634,714
20.509	COVID-19 - Formula Grants for Rural Areas and Tribal Transit Program		4,629,379	4,705,726
<b>Total Formula Grants for Rural Areas and Tribal Transit Program</b>			<b>7,867,789</b>	<b>8,340,440</b>
20.528	Rail Fixed Guideway Public Transportation System State Safety Oversight Formula Grant Program		-	985,604
20.614	National Highway Traffic Safety Administration (NHTSA) Discretionary Safety Grants and Cooperative Agreements		-	86,227
20.700	Pipeline Safety Program State Base Grant		-	1,047,232
20.703	Interagency Hazardous Materials Public Sector Training and Planning Grants		120,398	144,537
20.935	State and Local Government Data Analysis Tools for Roadway Safety		-	225,277
<b>Federal Motor Carrier Safety Assistance Cluster:</b>				
20.218	Motor Carrier Safety Assistance		-	5,052,611
20.237	Motor Carrier Safety Assistance High Priority Activities Grants and Cooperative Agreements		-	91,041
<b>Total Federal Motor Carrier Safety Assistance Cluster</b>			<b>-</b>	<b>5,143,652</b>
<b>Highway Planning and Construction Cluster:</b>				
20.205	Highway Planning and Construction		4,798,541	693,074,892
20.219	Recreational Trails Program		1,103,880	1,335,773
<b>Total Highway Planning and Construction Cluster</b>			<b>5,902,421</b>	<b>694,410,665</b>
<b>Federal Transit Cluster:</b>				
20.526	Buses and Bus Facilities Formula, Competitive, and Low or No Emissions Programs		489,963	489,963
<b>Total Federal Transit Cluster</b>			<b>489,963</b>	<b>489,963</b>
<b>Transit Services Programs Cluster:</b>				
20.513	Enhanced Mobility of Seniors and Individuals with Disabilities		1,522,448	5,697,280
20.516	Job Access and Reverse Commute Program		161,723	161,723
20.521	New Freedom Program		15,787	15,787
<b>Total Transit Services Programs Cluster</b>			<b>1,699,958</b>	<b>5,874,790</b>

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**COMMONWEALTH OF MASSACHUSETTS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)  
YEAR ENDED JUNE 30, 2021**

Assistance Listing	Program/Cluster Name	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
<b>U.S. Department of Transportation (continued):</b>				
<b>Highway Safety Cluster:</b>				
20.600	State and Community Highway Safety		\$ 1,552,553	\$ 3,724,539
20.616	National Priority Safety Programs		752,973	2,436,961
	<b>Total Highway Safety Cluster</b>		<b>2,305,526</b>	<b>6,161,500</b>
	<b>Total U.S. Department of Transportation</b>		<b>18,450,145</b>	<b>723,311,357</b>
<b>U.S. Department of the Treasury:</b>				
21.016	Equitable Sharing		-	443,013
21.019	COVID-19 - Coronavirus Relief Fund		523,384,206	1,315,364,295
21.023	COVID-19 - Emergency Rental Assistance Program		211,629,283	216,600,064
21.027	COVID-19 - Coronavirus State and Local Fiscal Recovery Funds		109,080,277	109,080,277
21.029	COVID-19 - Coronavirus Capital Projects Fund		-	7,486,257
	<b>Total U.S. Department of Treasury</b>		<b>844,093,766</b>	<b>1,648,973,906</b>
<b>Equal Employment Opportunity Commission:</b>				
30.001	Employment Discrimination Title VII of the Civil Rights Act of 1964		-	1,823,155
	<b>Total Equal Employment Opportunity Commission</b>		<b>-</b>	<b>1,823,155</b>
<b>National Endowment for the Arts:</b>				
45.025	Promotion of the Arts Partnership Agreements		941,664	942,524
45.025	COVID-19 - Promotion of the Arts Partnership Agreements		430,000	457,654
	<b>Total Promotion of the Arts Partnership Agreements</b>		<b>1,371,664</b>	<b>1,400,178</b>
45.149	Promotion of the Humanities Division of Preservation and Access		-	23
45.310	Grants to States		539,428	3,025,468
45.310	COVID-19 - Grants to States		543,161	592,182
	<b>Total Grants to States</b>		<b>1,082,589</b>	<b>3,617,650</b>
	<b>Total National Endowment for the Arts</b>		<b>2,454,253</b>	<b>5,017,851</b>
<b>National Science Foundation:</b>				
47.076	Education and Human Resources		390,399	428,493
	<b>Total National Science Foundation</b>		<b>390,399</b>	<b>428,493</b>
<b>Small Business Administration:</b>				
59.061	State Trade Expansion		96,659	99,659
	<b>Total Small Business Administration</b>		<b>96,659</b>	<b>99,659</b>
<b>U.S. Department of Veterans Affairs:</b>				
64.005	Grants to States for Construction of State Home Facilities		-	40,052,840
64.014	Veterans State Domiciliary Care		-	2,602,783
64.015	Veterans State Nursing Home Care		-	10,484,610
	<b>Total U.S. Department of Veterans Affairs</b>		<b>-</b>	<b>53,140,233</b>

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**COMMONWEALTH OF MASSACHUSETTS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)  
YEAR ENDED JUNE 30, 2021**

Assistance Listing	Program/Cluster Name	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
<b><i>U.S. Environmental Protection Agency:</i></b>				
66.032	State Indoor Radon Grants		\$ -	\$ 186,054
66.034	Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act		-	677,232
66.040	Diesel Emissions Reduction Act (DERA) State Grants		-	12,984
66.204	Multipurpose Grants to States and Tribes		30,249	139,586
66.444	Lead Testing in School and Child Care Program Drinking Water (SDWA 1464(d))		-	162,094
66.454	Water Quality Management Planning		166,146	674,603
66.456	National Estuary Program		665,242	1,653,132
66.461	Regional Wetland Program Development Grants		-	47,378
66.472	Beach Monitoring and Notification Program Implementation Grants		-	196,344
66.605	Performance Partnership Grants		1,196,421	15,193,146
66.608	Environmental Information Exchange Network Grant Program and Related Assistance		1,137	59,114
66.700	Consolidated Pesticide Enforcement Cooperative Agreements		-	419,143
66.701	Toxic Substances Compliance Monitoring Cooperative Agreements		-	288,754
66.707	TSCA Title IV State Lead Grants Certification of Lead-Based Paint Professionals		-	319,986
66.802	Superfund State, Political Subdivision, and Indian Tribe Site-Specific Cooperative Agreements		-	938,997
66.804	Underground Storage Tank (UST) Prevention, Detection, and Compliance Program		-	465,856
66.805	Leaking Underground Storage Tank Trust Fund Corrective Action Program		-	574,407
66.818	Brownfields Multipurpose, Assessment, Revolving Loan Fund, and Cleanup Cooperative Agreements		-	223,636
<b><i>Total U.S. Environmental Protection Agency</i></b>			<b>2,059,195</b>	<b>22,232,446</b>
<b><i>U.S. Department of Energy:</i></b>				
81.041	State Energy Program		-	1,095,164
81.042	Weatherization Assistance for Low-Income Persons		3,316,742	3,904,785
81.086	Conservation Research and Development		-	89,853
81.138	State Heating Oil and Propane Program		-	44,576
<b><i>Total U.S. Department of Energy</i></b>			<b>3,316,742</b>	<b>5,134,378</b>
<b><i>U.S. Department of Education:</i></b>				
84.002	Adult Education - Basic Grants to States		11,117,173	13,132,972
84.010	Title I Grants to Local Educational Agencies		215,558,851	229,035,504
84.011	Migrant Education State Grant Program		96,590	865,999
84.013	Title I State Agency Program for Neglected and Delinquent Children and Youth		714,216	1,079,030
84.048	Career and Technical Education -- Basic Grants to States		18,216,739	20,678,918
84.126	Rehabilitation Services Vocational Rehabilitation Grants to States		606,416	51,026,142
84.144	Migrant Education Coordination Program		43,554	43,554
84.161	Rehabilitation Services Client Assistance Program		-	195,180
84.177	Rehabilitation Services Independent Living Services for Older Individuals Who are Blind		-	648,859
84.181	Special Education-Grants for Infants and Families		2,529,723	7,326,335
84.184	School Safety National Activities (formerly, Safe and Drug-Free Schools and Communities-National Programs)		-	791,980
84.187	Supported Employment Services for Individuals with the Most Significant Disabilities		-	281,138
84.196	Education for Homeless Children and Youth		997,760	1,262,509
84.282	Charter Schools		3,972,624	3,972,624
84.287	Twenty-First Century Community Learning Centers		13,076,483	13,982,389
84.334	Gaining Early Awareness and Readiness for Undergraduate Programs		1,899,972	2,956,097
84.358	Rural Education		5,173	5,173
84.365	English Language Acquisition State Grants		15,184,334	15,975,593
84.367	Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)		27,905,814	31,039,890
84.368	Competitive Grants for State Assessments (formerly Grants for Enhanced Assessment Instruments)		-	43,531

See accompanying Notes to Schedule of Expenditures of Federal Awards.



**COMMONWEALTH OF MASSACHUSETTS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)  
YEAR ENDED JUNE 30, 2021**

Assistance Listing	Program/Cluster Name	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
<b>U.S. Department of Education (continued):</b>				
84.369	Grants for State Assessments and Related Activities		\$ -	\$ 3,092,619
84.371	Comprehensive Literacy Development		141,091	204,302
84.372	Statewide Longitudinal Data Systems		-	856,085
84.377	School Improvement Grants		1,425,980	1,425,980
84.421	Disability Innovation Fund (DIF)		3	956,988
84.424	Student Support and Academic Enrichment Program		15,912,023	17,003,438
<b>Education Stabilization Fund</b>				
84.425C	COVID-19 - Governor's Emergency Education Relief (GEER I and II) Fund		30,019,773	31,194,470
84.425D	COVID-19 - Elementary and Secondary School Emergency Relief (ESSER I and II) Fund		120,229,192	123,225,409
<b>Total Education Stabilization Fund</b>			<b>150,248,965</b>	<b>154,419,879</b>
84.426	Randolph-Sheppard – Financial Relief and Restoration Payments		294,618	294,618
84.938	Disaster Recovery Assistance for Education		145,123	171,508
<b>Special Education Cluster (IDEA):</b>				
84.027	Special Education Grants to States		253,766,017	281,034,599
84.173	Special Education Preschool Grants		7,904,339	10,505,579
<b>Total Special Education Cluster (IDEA)</b>			<b>261,670,356</b>	<b>291,540,178</b>
<b>Research And Development Program Cluster:</b>				
84.305	Education Research, Development and Dissemination		-	159,934
<b>Total Research And Development Program Cluster</b>			<b>-</b>	<b>159,934</b>
<b>Total U.S. Department of Education</b>			<b>741,763,581</b>	<b>864,468,946</b>
<b>National Archives and Records Administration:</b>				
89.003	National Historical Publications and Records Grants		11,986	40,795
<b>Total National Archives and Records Administration</b>			<b>11,986</b>	<b>40,795</b>
<b>U.S. Election Assistance Commission:</b>				
90.401	Help America Vote Act Requirements Payments		-	2,808,480
90.404	2018 HAVA Election Security Grants		-	3,031,300
90.404	COVID-19 - 2018 HAVA Election Security Grants		1,067,695	8,338,437
<b>Total 2018 HAVA Election Security Grants</b>			<b>1,067,695</b>	<b>11,369,737</b>
<b>Total U.S. Election Assistance Commission</b>			<b>1,067,695</b>	<b>14,178,217</b>
<b>U.S. Department of Health and Human Services:</b>				
93.041	Special Programs for the Aging, Title VII, Chapter 3, Programs for Prevention of Elder Abuse, Neglect, and Exploitation		-	114,353
93.042	Special Programs for the Aging, Title VII, Chapter 2, Long Term Care Ombudsman Services for Older Individuals		42,196	234,180
93.042	COVID-19 - Special Programs for the Aging, Title VII, Chapter 2, Long Term Care Ombudsman Services for Older Individuals		410,716	410,716
<b>Total Special Programs for the Aging, Title VII, Chapter 2, Long Term Care Ombudsman Services for Older Individuals</b>			<b>452,912</b>	<b>644,896</b>
93.043	Special Programs for the Aging, Title III, Part D, Disease Prevention and Health Promotion Services		224,054	224,054

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**COMMONWEALTH OF MASSACHUSETTS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)  
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Assistance Listing	Program/Cluster Name	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
<b>U.S. Department of Health and Human Services (continued):</b>				
93.048	Special Programs for the Aging, Title IV, and Title II, Discretionary Projects		\$ 410,676	\$ 441,189
93.052	National Family Caregiver Support, Title III, Part E		1,194,814	1,199,240
93.052	COVID-19 - National Family Caregiver Support, Title III, Part E		1,966,236	1,986,728
	<b>Total National Family Caregiver Support, Title III, Part E</b>		<b>3,161,050</b>	<b>3,185,968</b>
93.069	Public Health Emergency Preparedness		4,291,834	11,936,317
93.070	Environmental Public Health and Emergency Response		186,712	2,101,365
93.071	Medicare Enrollment Assistance Program		361,959	369,160
93.072	Lifespan Respite Care Program		-	72,350
93.073	Birth Defects and Developmental Disabilities - Prevention and Surveillance		790,218	1,086,418
93.079	Cooperative Agreements to Promote Adolescent Health through School-Based HIV/STD Prevention and School-Based Surveillance		-	81,613
93.090	Guardianship Assistance		-	7,200,403
93.090	COVID-19 - Guardianship Assistance		-	731,075
	<b>Total Guardianship Assistance</b>		<b>-</b>	<b>7,931,478</b>
93.092	Affordable Care Act (ACA) Personal Responsibility Education Program		635,603	840,371
93.103	Food and Drug Administration Research		-	1,221,852
93.104	Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances (SED)		577,011	1,100,081
93.110	Maternal and Child Health Federal Consolidated Programs		85,146	437,877
93.116	Project Grants and Cooperative Agreements for Tuberculosis Control Programs		-	1,727,065
93.118	Acquired Immunodeficiency Syndrome (AIDS) Activity		-	318,706
93.127	Emergency Medical Services for Children		-	140
93.130	Cooperative Agreements to States/Territories for the Coordination and Development of Primary Care Offices		-	247,431
93.136	Injury Prevention and Control Research and State and Community Based Programs		2,960,557	7,887,881
93.136	COVID-19 - Injury Prevention and Control Research and State and Community Based Programs		89,618	138,143
	<b>Total Injury Prevention and Control Research and State and Community Based Programs</b>		<b>3,050,175</b>	<b>8,026,024</b>
93.150	Projects for Assistance in Transition from Homelessness (PATH)		1,301,348	1,303,090
93.153	Coordinated Services and Access to Research for Women, Infants, Children, and Youth		331,512	509,316
93.165	Grants to States for Loan Repayment		-	545,835
93.184	Disabilities Prevention		139,645	497,674
93.197	Childhood Lead Poisoning Prevention Projects, State and Local Childhood Lead Poisoning Prevention and Surveillance of Blood Lead		-	293,241
93.234	Traumatic Brain Injury State Demonstration Grant Program		14,732	296,315
93.235	Title V State Sexual Risk Avoidance Education (Title V State SRAE) Program		253,529	657,293
93.236	Grants to States to Support Oral Health Workforce Activities		-	281,882
			-	-
93.240	State Capacity Building		-	700,670
93.240	COVID-19 - State Capacity Building		-	12,177
	<b>Total State Capacity Building</b>		<b>-</b>	<b>712,847</b>
93.241	State Rural Hospital Flexibility Program		18,268	276,162
93.243	Substance Abuse and Mental Health Services Projects of Regional and National Significance		2,405,625	5,216,212
93.251	Early Hearing Detection and Intervention		55,940	226,711

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**COMMONWEALTH OF MASSACHUSETTS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)  
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Assistance Listing	Program/Cluster Name	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
<b>U.S. Department of Health and Human Services (continued):</b>				
93.262	Occupational Safety and Health Program		\$ -	\$ 726,335
93.268	Immunization Cooperative Agreements		66,914	83,483,360
93.268	COVID-19 - Immunization Cooperative Agreements		10,858,508	17,121,758
	<b>Total Immunization Cooperative Agreements</b>		<b>10,925,422</b>	<b>100,605,118</b>
93.270	Viral Hepatitis Prevention and Control		-	576,222
93.296	State Partnership Grant Program to Improve Minority Health		7,820	48,927
93.301	Small Rural Hospital Improvement Grant Program		71,130	71,130
93.301	COVID-19 - Small Rural Hospital Improvement Grant Program		178,752	178,752
	<b>Total Small Rural Hospital Improvement Grant Program</b>		<b>249,882</b>	<b>249,882</b>
93.314	Early Hearing Detection and Intervention Information System (EHDI-IS) Surveillance Program		-	181,187
93.323	Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)		-	4,743,777
93.323	COVID-19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)		2,110,521	277,321,960
	<b>Total Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)</b>		<b>2,110,521</b>	<b>282,065,737</b>
93.324	State Health Insurance Assistance Program		498,478	738,510
93.336	Behavioral Risk Factor Surveillance System		-	143,749
93.354	Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response		-	44,527
93.354	COVID-19 - Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response		1,450,000	7,419,237
	<b>Total Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response</b>		<b>1,450,000</b>	<b>7,463,764</b>
93.367	Flexible Funding Model - Infrastructure Development and Maintenance for State Manufactured Food Regulatory Programs		-	585,843
93.369	ACL Independent Living State Grants		44,090	373,756
93.387	National and State Tobacco Control Program		-	1,441,288
93.391	Activities to Support State, Tribal, Local and Territorial (STLT) Health Department Response to Public Health or Healthcare Crises			
	Pass-through from CDC Foundation	F8TEFAQNZQH8	-	51,250
93.426	Improving the Health of Americans through Prevention and Management of Diabetes and Heart Disease and Stroke		93,433	1,820,698
93.432	ACL Centers for Independent Living		-	1,458,826
93.432	COVID-19 - ACL Centers for Independent Living		-	574,336
	<b>Total ACL Centers for Independent Living</b>		<b>-</b>	<b>2,033,162</b>
93.434	Every Student Succeeds Act/Preschool Development Grants		-	1,306,668
93.435	Innovative State and Local Public Health Strategies to prevent and Manage Diabetes and Heart Disease and Stroke-		874,451	1,739,228
93.464	ACL Assistive Technology		-	459,039
93.471	Title IV-E Kinship Navigator Program		-	293,732
93.500	Pregnancy Assistance Fund Program		223,885	223,916
93.556	MaryLee Allen Promoting Safe and Stable Families Program		-	4,143,133
93.558	Temporary Assistance for Needy Families		-	433,446,039
93.563	Child Support Enforcement		-	81,133,284
93.566	Refugee and Entrant Assistance State/Replacement Designee Administered Programs		2,459,301	13,822,682

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**COMMONWEALTH OF MASSACHUSETTS  
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Assistance Listing	Program/Cluster Name	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
<b><i>U.S. Department of Health and Human Services (continued):</i></b>				
93.568	Low-Income Home Energy Assistance		\$ 117,934,762	\$ 119,566,587
93.568	COVID-19 - Low-Income Home Energy Assistance		26,986,086	26,986,413
	<b>Total Low-Income Home Energy Assistance</b>		<b>144,920,848</b>	<b>146,553,000</b>
93.569	Community Services Block Grant		17,681,747	18,637,931
93.569	COVID-19 - Community Services Block Grant		17,282,183	17,366,074
	<b>Total Community Services Block Grant</b>		<b>34,963,930</b>	<b>36,004,005</b>
93.576	Refugee and Entrant Assistance Discretionary Grants		25,671	29,539
93.583	Refugee and Entrant Assistance Wilson/Fish Program		104,582	137,835
93.586	State Court Improvement Program		-	549,607
93.590	Community-Based Child Abuse Prevention Grants		462,802	462,802
93.597	Grants to States for Access and Visitation Programs		-	100,871
93.599	Chafee Education and Training Vouchers Program (ETV)		-	1,079,041
93.599	COVID-19 - Chafee Education and Training Vouchers Program (ETV)		-	418,237
	<b>Total Chafee Education and Training Vouchers Program (ETV)</b>		<b>-</b>	<b>1,497,278</b>
93.603	Adoption and Legal Guardianship Incentive Payments		-	298,635
93.630	Developmental Disabilities Basic Support and Advocacy Grants		154,213	1,185,072
93.631	Developmental Disabilities Projects of National Significance		-	228,574
93.634	Support for Ombudsman and Beneficiary Counseling Programs for States Participating in Financial Alignment Model Demonstrations for Dually Eligible Individuals		379,375	796,991
93.643	Children's Justice Grants to States		-	235,433
93.645	Stephanie Tubbs Jones Child Welfare Services Program		-	2,205,967
93.645	COVID-19 - Stephanie Tubbs Jones Child Welfare Services Program		-	338,862
	<b>Total Stephanie Tubbs Jones Child Welfare Services Program</b>		<b>-</b>	<b>2,544,829</b>
93.658	Foster Care Title IV-E		-	97,826,493
93.658	COVID-19 - Foster Care Title IV-E		-	4,373,932
	<b>Total Foster Care Title IV-E</b>		<b>-</b>	<b>102,200,425</b>
93.659	Adoption Assistance		-	32,711,166
93.659	COVID-19 - Adoption Assistance		-	3,341,203
	<b>Total Adoption Assistance</b>		<b>-</b>	<b>36,052,369</b>
93.665	COVID-19 - Emergency Grants to Address Mental and Substance Use Disorders During COVID-19		20,000	2,176,513
93.667	Social Services Block Grant		-	79,293,641
93.669	Child Abuse and Neglect State Grants		-	1,524,917
93.671	Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services		1,959,961	2,028,972
93.671	COVID-19 - Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services		354,881	354,881
	<b>Total Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services</b>		<b>2,314,842</b>	<b>2,383,853</b>
93.674	John H. Chafee Foster Care Program for Successful Transition to Adulthood		-	6,149,824
93.747	Elder Abuse Prevention Interventions Program		-	353,769

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**COMMONWEALTH OF MASSACHUSETTS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)  
YEAR ENDED JUNE 30, 2021**

Assistance Listing	Program/Cluster Name	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
<b><i>U.S. Department of Health and Human Services (continued):</i></b>				
93.767	Children's Health Insurance Program		\$ -	\$ 616,009,665
93.767	COVID-19 - Children's Health Insurance Program		-	1,512,787
	<b>Total Children's Health Insurance Program</b>		-	617,522,452
93.773	Medicare Hospital Insurance		-	5,524,569
93.788	Opioid STR		28,951,589	40,647,947
93.800	Organized Approaches to Increase Colorectal Cancer Screening		-	366,817
93.810	Paul Coverdell National Acute Stroke Program National Center for Chronic Disease Prevention and Health Promotion		-	669,749
93.817	Hospital Preparedness Program (HPP) Ebola Preparedness and Response Activities		540,000	877,410
93.817	COVID-19 - Hospital Preparedness Program (HPP) Ebola Preparedness and Response Activities		578,657	643,645
	<b>Total Hospital Preparedness Program (HPP) Ebola Preparedness and Response Activities</b>		1,118,657	1,521,055
93.870	Maternal, Infant and Early Childhood Home Visiting Grant		5,160,920	6,784,061
93.881	The Reduction of Issuer Burden Through Technology Grant Program and The Health Insurance Enforcement and Consumer Protections		-	10,032
93.889	National Bioterrorism Hospital Preparedness Program		2,805,458	3,555,981
93.889	COVID-19 - National Bioterrorism Hospital Preparedness Program		3,032,469	3,397,491
	<b>Total National Bioterrorism Hospital Preparedness Program</b>		5,837,927	6,953,472
93.898	Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations		585,096	2,328,258
93.912	Rural Health Care Services Outreach, Rural Health Network Development and Small Health Care Provider Quality Improvement		-	16,667
93.913	Grants to States for Operation of State Offices of Rural Health		-	154,714
93.917	HIV Care Formula Grants		30,254,084	33,585,692
93.917	COVID-19 - HIV Care Formula Grants		147,974	291,889
	<b>Total HIV Care Formula Grants</b>		30,402,058	33,877,581
93.940	HIV Prevention Activities Health Department Based		2,889,711	7,601,715
93.943	Epidemiologic Research Studies of Acquired Immunodeficiency Syndrome (AIDS) and Human Immunodeficiency Virus (HIV) Infection in Selected Population Groups		-	52,608
93.944	Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance		-	446,806
93.946	Cooperative Agreements to Support State-Based Safe Motherhood and Infant Health Initiative Programs		13,617	520,291
93.958	Block Grants for Community Mental Health Services		13,656,142	14,142,652
93.959	Block Grants for Prevention and Treatment of Substance Abuse		21,081,617	40,973,906
93.959	COVID-19 - Block Grants for Prevention and Treatment of Substance Abuse		-	10,865
	<b>Total Block Grants for Prevention and Treatment of Substance Abuse</b>		21,081,617	40,984,771
93.977	Sexually Transmitted Diseases (STD) Prevention and Control Grants		-	1,614,221
93.978	Sexually Transmitted Diseases (STD) Provider Education Grants		90,770	442,827
93.981	Improving Student Health and Academic Achievement through Nutrition, Physical Activity and the Management of Chronic Conditions in Schools		43,672	347,613
93.981	COVID-19 - Improving Student Health and Academic Achievement through Nutrition, Physical Activity and the Management of Chronic Conditions in Schools		-	165,937
	<b>Total Improving Student Health and Academic Achievement through Nutrition, Physical Activity and the Management of Chronic Conditions in Schools</b>		43,672	513,550

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**COMMONWEALTH OF MASSACHUSETTS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)  
YEAR ENDED JUNE 30, 2021**

Assistance Listing	Program/Cluster Name	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
<b>U.S. Department of Health and Human Services (continued):</b>				
93.982	Mental Health Disaster Assistance and Emergency Mental Health		\$ 2,344,073	\$ 2,344,073
93.991	Preventive Health and Health Services Block Grant		908,851	3,677,830
93.994	Maternal and Child Health Services Block Grant to the States		1,905,347	11,043,174
93.997	Assisted Outpatient Treatment		62,718	67,147
<b>Aging Cluster:</b>				
93.044	Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers		2,979,429	5,404,105
93.044	COVID-19 - Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers		4,199,217	4,263,757
	<b>Total Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers</b>		7,178,646	9,667,862
93.045	Special Programs for the Aging, Title III, Part C, Nutrition Services		2,869,867	2,869,867
93.045	COVID-19 - Special Programs for the Aging, Title III, Part C, Nutrition Services		11,237,606	11,550,960
	<b>Total Special Programs for the Aging, Title III, Part C, Nutrition Services</b>		14,107,473	14,420,827
93.053	Nutrition Services Incentive Program		3,250,139	5,874,677
	<b>Total Aging Cluster</b>		24,536,258	29,963,366
<b>CCDF Cluster:</b>				
93.575	Child Care and Development Block Grant		-	183,299,483
93.575	COVID-19 - Child Care and Development Block Grant		-	45,698,950
	<b>Total Child Care and Development Block Grant</b>		-	228,998,433
93.596	Child Care Mandatory and Matching Funds of the Child Care and Development Fund		-	74,031,911
	<b>Total CCDF Cluster</b>		-	303,030,344
<b>Head Start Cluster:</b>				
93.600	Head Start		-	168,766
	<b>Total Head Start Cluster</b>		-	168,766
<b>Medicaid Cluster:</b>				
93.775	State Medicaid Fraud Control Units		-	4,105,315
93.777	State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare		-	14,984,162
93.777	COVID-19 - State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare		-	519,440
	<b>Total State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare</b>		-	15,503,602
93.778	Medical Assistance Program		-	11,448,579,290
93.778	COVID-19 - Medical Assistance Program		-	1,006,379,263
	<b>Total Medical Assistance Program</b>		-	12,454,958,553
	<b>Total Medicaid Cluster</b>		-	12,474,567,470
	<b>Total U.S. Department of Health and Human Services</b>		360,620,518	15,016,917,202

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**COMMONWEALTH OF MASSACHUSETTS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)  
YEAR ENDED JUNE 30, 2021**

Assistance Listing	Program/Cluster Name	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
<b>Social Security Administration:</b>				
96.008	Social Security - Work Incentives Planning and Assistance Program		\$ -	\$ 232,524
<b>Disability Insurance/SSI Cluster:</b>				
96.001	Social Security Disability Insurance		-	44,407,227
	<b>Total Disability Insurance/SSI Cluster</b>		-	44,407,227
	<b>Total Social Security Administration</b>		-	44,639,751
<b>U.S. Department of Homeland Security:</b>				
97.008	Non-Profit Security Program		447,826	447,826
97.012	Boating Safety Financial Assistance		-	1,806,405
97.023	Community Assistance Program State Support Services Element (CAP-SSSE)		-	177,986
97.029	Flood Mitigation Assistance		493,050	521,491
97.032	COVID-19 - Crisis Counseling		600,100	608,818
97.036	Disaster Grants - Public Assistance (Presidentially Declared Disasters)		8,088,544	8,822,244
97.036	COVID-19 - Disaster Grants - Public Assistance (Presidentially Declared Disasters)		53,915,523	520,837,324
	<b>Total Disaster Grants - Public Assistance (Presidentially Declared Disasters)</b>		62,004,067	529,659,568
97.039	Hazard Mitigation Grant		1,330,731	1,599,894
97.041	National Dam Safety Program		-	162,299
97.042	Emergency Management Performance Grants		2,632,782	9,565,284
97.043	State Fire Training Systems Grants		-	19,948
97.047	BRIC: Building Resilient Infrastructure and Communities		384,727	440,800
97.050	COVID-19 - Presidential Declared Disaster Assistance to Individuals and Households - Other Needs		-	1,239,638,216
97.056	Port Security Grant Program		-	864,703
97.067	Homeland Security Grant Program		17,948,026	21,988,542
97.091	Homeland Security Biowatch Program		-	1,507,394
	<b>Total U.S. Department of Homeland Security</b>		85,841,309	1,809,009,174
	<b>Total Expenditures of Federal Awards</b>		<b>\$ 3,024,591,180</b>	<b>\$ 42,543,191,533</b>

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**COMMONWEALTH OF MASSACHUSETTS**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED JUNE 30, 2021**

**NOTE 1 SINGLE AUDIT REPORTING ENTITY**

For purposes of complying with U.S. Code of Federal Regulations Title 2, Grants and Agreements Part 200; Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (the Uniform Guidance), the Commonwealth of Massachusetts (the Commonwealth) reporting entity is defined in Note 1 to its June 30, 2021 basic financial statements; except that the Massachusetts School Building Authority, the Pension Reserves Investment Trust Fund, the Massachusetts Municipal Depository Trust, the Massachusetts State Lottery Commission, the Institutions of Higher Education (which include the University of Massachusetts, the State Universities, and the Community Colleges), and all of the discretely presented component units are excluded, except for the Massachusetts Department of Transportation (MassDOT). Accordingly, the accompanying Schedule of Expenditures of Federal Awards (SEFA or Schedule) presents the federal award programs administered by the Commonwealth, as defined above, for the year ended June 30, 2021.

**NOTE 2 BASIS OF PRESENTATION**

Federal award program titles are reported as presented by Assistance Listing Number (ALN) in the System for Award Management (SAM). U.S. Department of Education (ED) subprograms are identified by a subprogram alpha character after the ALN and presented by ED subprogram title.

The accompanying SEFA is presented on the cash basis of accounting. The SEFA is drawn primarily from the Massachusetts Management Accounting and Reporting System (MMARS), the centralized accounting system. Such expenditures are recognized following the cost principles contained in the Uniform Guidance for all awards with the exception of the Coronavirus Relief Fund (ALN 21.019), which follows criteria determined by the Department of Treasury for allowability of costs. Under these principles, certain types of expenditures are not allowable or are limited as to reimbursement.

The Commonwealth receives payments from the federal government on behalf of Medicare eligible patients for whom it has provided medical services at its state operated medical facilities. Since these payments represent insurance coverage provided directly to individuals under the Medicare entitlement program, they are not included as federal financial assistance.

**NOTE 3 MATCHING COSTS**

Matching costs, i.e., the nonfederal share of certain program costs, are not included in the accompanying Schedule except for the Commonwealth's share of Unemployment Insurance.



**COMMONWEALTH OF MASSACHUSETTS  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2021**

**NOTE 4 RELATIONSHIP TO FEDERAL FINANCIAL REPORTS**

The regulations and guidelines governing the preparation of federal financial reports vary by federal agency and among programs administered by the same agency. Accordingly, the amounts reported in the federal financial reports may not necessarily reconcile with the amounts reported in the accompanying Schedule.

**NOTE 5 NONCASH AWARDS**

The Commonwealth is the recipient of federal financial assistance programs that do not result in cash receipts or disbursements. Noncash awards received by the Commonwealth are included in the Schedule as follows:

Assistance Listing	Program Title	Noncash Award
10.542	COVID-19 - Pandemic EBT Food Benefits	\$ 621,814,771
10.551	Supplemental Nutrition Assistance Program	1,936,518,565
10.555	National School Lunch Program	20,498,303
10.558	Child and Adult Care Food Program	2,050
93.268	Immunization Grants	76,532,144
	Total Noncash Awards	<u><u>\$ 2,655,365,833</u></u>

Commodity inventories for the Food Donation Program at June 30, 2021 totaled \$3,502,533.

**NOTE 6 UNEMPLOYMENT INSURANCE PROGRAM (UI) (ASSISTANCE LISTING 17.225)**

The U.S. Department of Labor, in consultation with the OMB, has determined that for the purpose of audits and reporting under the Uniform Guidance, Commonwealth UI funds as well as federal funds should be considered federal awards for determining Type A programs. The Commonwealth receives federal funds for administrative purposes. Commonwealth unemployment taxes must be deposited to a Commonwealth account in the Federal Unemployment Trust Fund, used only to pay benefits under the federally approved Commonwealth law. Commonwealth UI funds as well as federal funds are included on the Schedule. The following schedule provides a breakdown of the state and federal portions of the total expended amount under Assistance Listing Number 17.225:

Commonwealth UI Funds - Benefits	\$ 2,537,136,307
Federal UI Funds - Benefits	19,339,610
Federal UI Funds - Administration	118,695,708
COVID-19 - Federal UI Funds - Benefits	15,619,833,635
COVID-19 - Federal UI Funds - Administration	45,941,729
Total Expenditures	<u><u>\$ 18,340,946,989</u></u>

**COMMONWEALTH OF MASSACHUSETTS  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2021**

**NOTE 7 10% DE MINIMIS COST RATE**

The Commonwealth does not use the 10% De Minimis Indirect Cost rate exclusively, but each department that has a direct grant will have a negotiated rate with the cognizant federal agency who issued the award.

**NOTE 8 LOANS**

The HOME Investor Partnership Program (ALN 14.239) is administered by the Commonwealth's Department of Housing and Community Development (DHCD) to expand the supply of affordable housing in the Commonwealth. Details of the Fiscal Year 2021 loan activity is as follows:

Balance Beginning	Additions	Deletions	Balance Ending
<u>\$ 233,683,749</u>	<u>\$ 11,117,645</u>	<u>\$ (1,730,924)</u>	<u>\$ 243,070,470</u>

As required by Uniform Guidance, the value of new loans made during the fiscal year plus the beginning balance of loans outstanding is included in the SEFA.

**NOTE 9 DONATED PERSONAL PROTECTIVE EQUIPMENT (UNAUDITED)**

In response to the COVID-19 pandemic, the federal government donated personal protective equipment (PPE) to the Commonwealth of Massachusetts. As of June 30, 2021, the Commonwealth is unable to estimate the fair value of donated PPE received. Per the 2021 Compliance Supplement, donated PPE is not included in the Schedule of Expenditures of Federal Awards and is not subject to audit.

**NOTE 10 DISASTER GRANTS – PUBLIC ASSISTANCE (ASSISTANCE LISTING 97.036)**

After a Presidential-Declared Disaster, FEMA provides a Public Assistance Grant to reimburse eligible costs associated with repair, replacement, or restoration of disaster-damaged facilities; and costs associated with Commonwealth's response to the COVID-19 public health emergency. The federal government reimburses in the form of cost-shared grants which requires state matching funds. For the year ended June 30, 2021, the amount included in the accompanying schedule for Disaster Grants – Public Assistance (ALN 97.036) includes \$349,289,540 of approved eligible expenditures that were incurred in a prior year.

**NOTE 11 REBATES FROM THE SPECIAL SUPPLEMENTAL NUTRITION PROGRAM FOR WOMEN, INFANTS, AND CHILDREN (WIC)**

During fiscal year 2021, the state received cash rebates from infant formula manufacturers in the amount of \$23,442,274 on sales of formula to participants in the WIC program (Assistance Listing 10.557), which are not included in the Schedule. Rebate contracts with infant formula manufacturers are authorized by Code of Federal Regulations, Title 7:

**COMMONWEALTH OF MASSACHUSETTS  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2021**

Agriculture, Subtitle B, Chapter II, Subchapter A, Part 246.16a as a cost containment measure. Rebates represent a reduction of expenditures previously incurred for WIC food benefit costs. Applying the rebates received to such costs enabled the State to extend program benefits to more participants than could have been serviced this fiscal year in the absence of the rebate contract.

**NOTE 12 CCDF CLUSTER (ASSISTANCE LISTINGS 93.575 AND 93.596)**

Expenditures reported in the Schedule for the Child Care Development Fund (CCDF) Cluster include the following funding sources:

CCDBG	\$ 183,299,483
CCDF Mandatory and Matching	74,031,911
CCDF CARES	45,698,950
	<u>\$ 303,030,344</u>

**NOTE 13 HOUSING CHOICE VOUCHER PROGRAM (ASSISTANCE LISTING 14.871)**

In accordance with reporting requirements established by U.S. Department of Housing and Urban Development Notice PIH 2021-25 (HA), Section 8.k., the Schedule includes \$0 in Emergency Housing Vouchers (EHV) funding issued under the American Rescue Plan Act of 2021.

**COMMONWEALTH OF MASSACHUSETTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2021**

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***Section I – Summary of the Auditors' Results***

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1. Type of auditors' report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness(es) identified?     X     yes            no
  - Significant deficiency(ies) identified?     X     yes            none reported
3. Noncompliance material to basic financial statements noted?            yes     X     no

***Federal Awards***

1. Internal control over major federal programs:
- Material weakness(es) identified?     X     yes            no
  - Significant deficiency(ies) identified?     X     yes            none reported
2. Type of auditors' report issued on compliance for major federal programs: See table below
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?     X     yes            no

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

\$ 63,814,787

Auditee qualified as low-risk auditee?

           yes     X     no

**COMMONWEALTH OF MASSACHUSETTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2021**

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***Section I – Summary of the Auditors' Results (Continued)***

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**Identification of Major Programs**

Major Program	Assistance Listing	Opinion
Pandemic EBT Food Benefits	10.542	Unmodified
SNAP Cluster	10.551, 10.561	Unmodified
Unemployment Insurance	17.225	Qualified
WIOA Cluster	17.258, 17.259, 17.278	Unmodified
Coronavirus Relief Fund	21.019	Unmodified
Emergency Rental Assistance	21.023	Unmodified
Coronavirus State and Local Fiscal Recovery Funds	21.027	Unmodified
Grants to States for Construction of State Home Facilities	64.005	Unmodified
Education Stabilization Fund	84.425	Unmodified
Epidemiology and Laboratory Capacity	93.323	Unmodified
Temporary Assistance to Needy Families	93.558	Unmodified
Foster Care Title IV-E	93.658	Unmodified
Social Services Block Grant	93.667	Unmodified
CCDF Cluster	93.575, 93.596	Unmodified
Medicaid Cluster	93.775, 93.777, 93.778	Unmodified
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	Unmodified
Presidential Declared Disaster Assistance to Individuals and Households - Other Needs	97.050	Qualified

**COMMONWEALTH OF MASSACHUSETTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2021**

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***Section II – Financial Statement Findings***

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**Finding 2021-001**

Executive Office of Labor and Workforce Development

Finding Title: Accounting and Financial Reporting – Unemployment Insurance Trust Fund

Type of Finding: Material Weakness in Internal Control over Financial Reporting

Repeat Finding: Yes, 2020-002 and 2020-003

**Condition:** The Executive Office of Labor and Workforce Development (EOLWD) is responsible for maintaining the books and records of the Unemployment Compensation Trust Fund (Fund), which is reported as a major enterprise fund in the Commonwealth's Annual Comprehensive Financial Report (ACFR). This responsibility includes recording monthly summary information from EOLWD's delegated system in the Massachusetts Management Accounting and Reporting System (MMARS), the Office of the Comptroller's (CTR) accounting information system, and providing the CTR with year-end adjustments and accruals (GAAP package) to facilitate the CTR's preparation of the ACFR in accordance with accounting principles generally accepted in the United States of America (GAAP).

In summary, the results of our audit procedures identified several material misstatements to various accounts and balances that are indicative of systemic accounting and financial reporting deficiencies in internal control. The following details the material misstatements and control deficiencies identified:

**Benefit Payments**

EOLWD engaged KPMG to perform various analyses and reconciliations of the Fund for the period April 1, 2020 through November 30, 2021. The resultant "Unemployment Insurance Trust Fund Reconciliation Project Summary Report" was issued December 31, 2021 and identified, among other things, the following:

- 1) Benefit payments were returned to the EOLWD's unemployment benefit payment account that were not repurposed nor returned to the federal government as of June 30, 2021.
- 2) Funds were erroneously overdrawn from the unemployment insurance trust account into EOLWD's unemployment benefit payment account to pay state and federal taxes.

The June 30, 2021 amounts associated with items 1 and 2 above totaled \$152 million and \$362 million, respectively, and were improperly expensed and disbursed as of June 30, 2021. These adjustments were not included in the GAAP package provided to the CTR in February 2022, resulting in an overstatement of expenses and understatement of cash and cash equivalents. It should be noted that the amounts overdrawn from the unemployment insurance trust account were returned via wire transfer July 8, 2021.

**Employer Tax Revenues**

Our testing of employer tax revenues reported in EOLWD's GAAP package submitted to CTR identified the following audit adjustments:

- 1) Employer tax revenues were overstated by approximately \$407 million due to reimbursements from the federal government that were deposited directly in the

**COMMONWEALTH OF MASSACHUSETTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2021**

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***Section II – Financial Statement Findings (Continued)***

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- unemployment insurance trust account and erroneously recorded as employer tax revenues.
- 2) Employer tax revenues were overstated and federal revenues were understated by approximately \$61 million due to other federal program revenues erroneously recorded as employer tax revenues.

**Benefit Overpayments Receivable**

EOLWD's calculation of benefit overpayments receivable was adjusted (significantly) multiple times from the initial GAAP package submitted to CTR prior to establishing a final gross balance of approximately \$1.565 billion. In addition, although an allowance representing approximately 98% of the overpayments accounts receivable was also calculated, the methodology supporting the allowance is not documented. CLA deemed the allowance reasonable.

**Cash and Cash Equivalents**

Procedures are not in place to reconcile cash reported in MMARS to the actual bank accounts. As a result, cash audit adjustments totaling approximately \$1.1 billion were processed after the GAAP package was received by the CTR.

**Timeliness of Summary Reporting in MMARS**

We identified certain transactions related to May and June of 2021 that were not recorded in MMARS until October of 2021.

**Financial Reporting Policies and Procedures**

The EOLWD has not developed formal (written) monthly or annual financial close and reporting processes specific to the reconciliation of activity and accounts to MMARS and preparation of the annual GAAP package for the CTR. The current process is based primarily on verbal instruction combined with review of documents prepared for the previous fiscal year's GAAP package.

**Criteria:** Management is responsible for the preparation and fair presentation of the ACFR in accordance with GAAP. Further, internal control, as defined by auditing standards generally accepted in the United States of America (U.S. GAAS), is a process effected by management and other personnel that is designed to provide reasonable assurance about the achievement of an entity's objectives with regard to the reliability of financial reporting. It is also critical that internal controls are implemented and performed on a timely basis to ensure reliability of financial reporting.

**Effect:** As identified above, material errors were detected and corrected through the audit process due to a pervasive lack of internal controls over the financial reporting process. In addition, an unreconciled variance of approximately \$106 million between the Fund's cash balance reported on MMARS and the bank account balances exists at June 30, 2021.

**Cause:** Procedures are not in place to:

- Reconcile the Fund's activities and balances to MMARS
- Accurately prepare the GAAP package for the CTR's ACFR

**Recommendation:** We recommend EOLWD design and implement a system of internal control that reconciles all accounts and balances of the Fund's delegated system to MMARS monthly and no later than 30 days after the end of any given month.

**COMMONWEALTH OF MASSACHUSETTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2021**

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***Section II – Financial Statement Findings (Continued)***

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We recommend EOLWD design and implement procedures to ensure that the annual GAAP package submitted to CTR considers all balances and transactions to be reported in accordance with GAAP. The procedures should include documentation as to how balances are calculated for the following items:

- a. Employer Taxes Receivable
- b. Allowance for Uncollectible Employer Taxes Receivable
- c. Benefits (Accounts) Payable
- d. Benefits Overpayments Receivable
- e. Allowance for Uncollectible Benefits Overpayments Receivable
- f. Employer Credit Balances (Tax Refunds Payable)

Such a system should be formally documented and designed in a manner that would provide the ability to produce an unaudited financial statement within 45 days after month or year-end.

**Views of Responsible Officials and Corrective Actions:** EOLWD has engaged with a third-party consultant to assist in DUA's business process redesign of its current financial accounting systems which includes the identification and development of formal reconciliation controls over balances and transactions of the Unemployment Compensation Trust Fund (Fund) with the Commonwealth's general ledger, Massachusetts Management Accounting & Reporting System (MMARS), and to develop procedures to ensure the annual Generally Accepted Accounting Principles (GAAP) package submitted to the Office of the State Comptroller (CTR) is reported in accordance with GAAP.

EOLWD is also working with the CTR and the third-party consultant to develop manual processes and automate DUA's financial systems which are designed to generate relevant financial and nonfinancial information including unaudited timely financial statements monthly.

**Responsible Official:** Migdalia Diaz, Chief Operating Officer

**Implementation Date:** December 31, 2022



**COMMONWEALTH OF MASSACHUSETTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2021**

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***Section II – Financial Statement Findings (Continued)***

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**Finding 2021-002**

Office of the Comptroller

Finding Title: Accounting and Financial Reporting – Lotteries Fund

Type of Finding: Material Weakness in Internal Control over Financial Reporting

Repeat Finding: No

**Condition:** During fiscal year 2020, the Commonwealth early implemented Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*. The implementation of this Statement resulted in the reclassification and restatement of certain fiscal year 2020 beginning fund balances/net position to reflect the change in accounting principle.

Prior to the implementation of GASB Statement No. 84, the Commonwealth historically reported the lotteries' long-term prizes payable and related assets (annuity contracts and investments) in the Agency Fund (a Fiduciary Fund) and then accrued the assets and liability as part of governmental activities in the government-wide financial statements.

Upon the implementation of GASB Statement No. 84, the Commonwealth determined that the lotteries' long-term prizes payable and related assets held to pay such prizes payable qualified as a Custodial Fund, a fiduciary activity. However, during its annual review of fiduciary activities during fiscal year 2021, the Commonwealth determined the activity should have been reported as a Governmental Fund since the assets are in the name of Commonwealth and the Commonwealth has control of the assets.

**Criteria:** GASB Statement No. 84, among other things, established criteria for identifying fiduciary activities of state and local governments. Such criteria generally focus on whether the government controls the assets of the fiduciary activity as well as the beneficiary with whom the fiduciary relationship exists.

**Effect:** The 2021 Annual Comprehensive Financial Report (ACFR) reported a restatement (increase) of approximately \$855 million related to the Lotteries' (major governmental fund) beginning fund balance for the correction of an error. There was no restatement required for Custodial Funds or Governmental Activities since the assets were offset by the long-term liability.

**Cause:** Procedures were not in place to properly implement GASB Statement No. 84.

**Recommendation:** We recommend the Commonwealth enhance internal controls when implementing new accounting standards.

**Views of Responsible Officials and Corrective Actions:** Beginning in Fiscal Year 2021 the Office of the Comptroller reported the Lottery's long-term prizes payable and related assets (annuity contracts and investments) under governmental activities to comply with GASB Statement No. 84, *Fiduciary Activities*.

**Responsible Official:** Pauline Lieu, Chief Financial Reporting Officer

**Implementation Date:** April 29, 2022

**COMMONWEALTH OF MASSACHUSETTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2021**

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***Section II – Financial Statement Findings (Continued)***

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**Finding 2021-003**

Department of Family and Medical Leave

Finding Title: Accounting and Financial Reporting – Family and Employment Security Trust Fund

Type of Finding: Significant Deficiency in Internal Control over Financial Reporting

Repeat Finding: No

**Condition:** The Department of Family and Medical Leave (DFML), a division of the Executive Office of Labor and Workforce Development (EOLWD), oversees the Paid Family and Medical Leave (PFML) program. DFML is also responsible for providing the Office of the Comptroller (CTR) with year-end adjustments and accruals (GAAP package) to facilitate the CTR's preparation of the Family and Employment Security Trust Fund's (a major enterprise fund in the Commonwealth's Annual Comprehensive Financial Report (ACFR)) financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP). This fund is used to account for taxes collected from employers which are used to provide paid leave to beneficiaries for medical or family reasons as part of the Commonwealth's PFML program.

The Family and Employment Security Trust Fund reported accounts receivable of approximately \$294 million as of June 30, 2021. DFML did not develop a formal methodology to estimate the allowance for uncollectible accounts receivable prior to their submission of the GAAP package to CTR. Although a methodology was subsequently adopted to calculate an allowance for uncollectible accounts receivable, the methodology was ad hoc in nature and based primarily on analysis performed by the Department of Revenue and EOWLD.

The Family and Employment Security Trust Fund also reported accounts payable of approximately \$31 million as of June 30, 2021. DFML's initial GAAP package submitted to CTR did not consider certain PFML program benefit payments related to claims events which occurred during fiscal year 2021 but weren't paid until fiscal year 2022.

**Criteria:** GAAP require accounts receivable to be measured net of estimated uncollectible amounts and require the recognition of liabilities and expenses when certain events occurring in the reporting period create a future legal obligation of the entity. In addition, management must support the methods and assumptions underlying accounting estimates included in accounts receivable and accounts payable.

**Effect:** An adjustment of approximately \$1.7 million was made to report the allowance for uncollectible accounts receivable in the Family and Employment Security Trust Fund.

An adjustment of approximately \$12.5 million was made to increase the balance of accounts payable in the Family and Employment Security Trust Fund for subsequent year claims payments related to benefits incurred in fiscal year 2021.

**Cause:** Procedures are not in place to establish an annual allowance for uncollectible accounts receivable and perform an appropriate accounts payable cutoff.

**COMMONWEALTH OF MASSACHUSETTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2021**

---

***Section II – Financial Statement Findings (Continued)***

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**Recommendation:** We recommend DFML establish a formal methodology to estimate the allowance for uncollectible accounts receivable reported in the Family and Employment Security Trust Fund. This methodology should be formally documented and accompanied by program data and analysis to support the estimate. The methodology should be revisited by DFML on an annual basis and updated as needed.

We recommend DFML establish procedures to perform an appropriate cutoff of accounts payable at year-end.

**Views of Responsible Officials and Corrective Actions:** The EOLWD Finance department, DFML and the State Department of Revenue will review the various revenue sources captured by the Department and develop a formal methodology to estimate the allowance for uncollectible account receivables. The methodology will be based upon a look back of its actual collections experience and will be established to accurately estimate the net realizable value of its receivables at year end.

DFML will continue to enhance proper period cut-off procedures to ensure PFML benefits are captured in the proper period and the related accounts payable are reported in accordance with applicable accounting and reporting standards.

**Responsible Official:** Migdalia Diaz, Chief Operating Officer

**Implementation Date:** September 31, 2022

**COMMONWEALTH OF MASSACHUSETTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2021**

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***Section II – Financial Statement Findings (Continued)***

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**Finding 2021-004**

Executive Office of Health and Human Services

Finding Title: Drug Rebates Allowance for Uncollectible Accounts Receivable

Type of Finding: Significant Deficiency in Internal Control over Financial Reporting

Repeat Finding: Yes, 2020-006

**Condition:** The Commonwealth recorded a receivable in the general fund of approximately \$725 million for drug rebates owed from drug manufacturers related to prescription drug spending by the Commonwealth's Medicaid program. An initial allowance for uncollectible amounts of \$100 million was rolled forward from the prior year in the Massachusetts Management Accounting and Reporting System (MMARS) but was not supported by a methodology. Upon further discussion with the Executive Office of Health and Human Services (EOHHS) and the Office of the Comptroller (CTR), it was determined that the allowance should have been adjusted as of June 30, 2021.

**Criteria:** Generally Accepted Accounting Principles (GAAP) require accounts receivable to be measured net of estimated uncollectible amounts. Management must support the methods and assumptions underlying the accounting estimates of uncollectible amounts and should evaluate the impacts of changes in such methods and assumptions from the prior period.

**Effect:** An adjustment of \$49 million was made to the allowance for uncollectible drug rebates accounts receivable subsequent to the completion and submission of the GAAP package to the CTR.

**Cause:** EOHHS has not established a formal documented methodology to annually estimate the allowance for uncollectible drug rebates accounts receivable.

**Recommendation:** We recommend EOHHS establish a formal methodology to annually calculate the allowance for doubtful accounts receivable related to drug rebates. The calculation should be supported by sufficient documentation, such as historical billing and collection information.

**Views of Responsible Officials and Corrective Actions:** EOHHS will document the annual uncollectible drug rebates methodology by the end of August 2022.

**Responsible Officials:** Mohamed Sesay, MassHealth CFO

**Implementation Date:** August 2022

**COMMONWEALTH OF MASSACHUSETTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2021**

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***Section II – Financial Statement Findings (Continued)***

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**Finding 2021-005**

Office of the Comptroller

Finding Title:       Unearned Revenue

Type of Finding:   Significant Deficiency in Internal Control over Financial Reporting

Repeat Finding:   No

**Condition:** The Commonwealth utilizes the federal grants fund, a nonmajor special revenue fund, to account for various grants received from federal funding sources. Our audit procedures identified the Commonwealth recognized approximately \$472 million in pandemic-related federal assistance and approximately \$10 million in other federal funding sources in advance of eligibility criteria being met for revenue recognition within the federal grants fund.

**Criteria:** Governmental Accounting Standards Board (GASB) Statement No. 33 requires that revenue be recognized when all eligibility requirements are met in a government-mandated or voluntary nonexchange transaction.

**Effect:** An audit adjustment of approximately \$482 million was made by management to reclassify the revenues to unearned revenue as of June 30, 2021.

**Cause:** Procedures were not in place to record all revenues in accordance with GASB Statement No. 33.

**Recommendation:** We recommend management strengthen internal controls to ensure revenues related to government-mandated and voluntary nonexchange transactions are recognized in accordance with GASB Statement No. 33.

**Views of Responsible Officials and Corrective Actions:** The Office of the Comptroller has implemented a process to record unearned revenue in the pandemic-related federal grants fund. Management will review all reimbursements and will determine the extent that revenues have actually been earned in accordance with GASB Statement No. 33 and will recognize revenues as appropriate (i.e., deferral versus accruing revenue).

**Responsible Officials:** Pauline Lieu, Chief Financial Reporting Officer

**Implementation Date:** December 2021

**COMMONWEALTH OF MASSACHUSETTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2021**

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***Section II – Financial Statement Findings (Continued)***

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**Finding 2021-006**

Office of the Comptroller

Finding Title: Financial Close and Reporting

Type of Finding: Significant Deficiency in Internal Control over Financial Reporting

Repeat Finding: No

**Condition:** As part of the Commonwealth's preparation of the annual comprehensive financial report, the Office of the Comptroller issues special correspondence requests to various departments and agencies to prepare financial statements in accordance with accounting principles generally accepted in the United States of America. The information submitted in response to these requests include, among other things, a GAAP financial reporting package of accruals and the underlying data supporting the amounts reported by the department/agency.

As noted in findings 2021-001, 2021-003, and 2021-004, certain departments submitted reporting packages that were not reported accurately or were not supported by adequate documentation (i.e., documented methodology, calculation, or data set). The results of our audit procedures detected certain misstatements requiring audit adjustments and the submission of revised reporting packages to the Office of the Comptroller.

In addition, several departments did not submit complete reporting packages by the deadlines established by the Office of the Comptroller in the special correspondence requests. The untimely submissions inhibited the ability of the Office of the Comptroller to perform a proper review and approval of the reporting packages submitted and the underlying data prior to reporting the accrual adjustments in the financial statements.

**Criteria:** Management is responsible for the preparation and fair presentation of the ACFR in accordance with GAAP. Further, internal control, as defined by auditing standards generally accepted in the United States of America (U.S. GAAS), is a process effected by management and other personnel that is designed to provide reasonable assurance about the achievement of an entity's objectives with regard to the reliability of financial reporting. It is also critical that internal controls are implemented and performed on a timely basis to ensure reliability of financial reporting.

**Effect:** The impacts of findings 2021-001, 2021-003 and 2021-004 required several significant audit adjustments to the departmental/agency GAAP reporting packages. In addition, the Commonwealth did not publish their audited 2021 financial statements by the statutory deadline of January 12, 2022.

**Cause:** The fair presentation and timely publishing of the financial statements is assigned to the Comptroller of the Commonwealth of Massachusetts through legislation. While the observations noted above were the result of unsound financial reporting practices at other departments/agencies, procedures were not properly designed and implemented to mitigate these circumstances.

**Recommendation:** We recommend management of the Office of the Comptroller strengthen its internal controls surrounding the timely and accurate reporting of GAAP-basis accrual adjustments prepared by other departments. Such policies and procedures should include a mechanism of accountability to ensure the GAAP reporting packages are received timely by the Office of the Comptroller to allow for adequate review.

**COMMONWEALTH OF MASSACHUSETTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2021**

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***Section II – Financial Statement Findings (Continued)***

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**Views of Responsible Officials and Corrective Actions:** The Office of the Comptroller is improving its communication with departments to set clear expectations and strong deadlines. We track multiple years of GAAP package submission dates and will reach out to departments with past late submissions for early escalation of communication to ensure time for adequate review.

Material timing issues fell on two specific departments. The Office of the Comptroller will meet with Executive Office of Labor and Workforce Development (EOLWD) and Executive Office of Health and Human Services (EOHHS) representatives to assess and review the GAAP reporting process. We are updating the special correspondence letters to provide the specific schedules required to be submitted to CTR on the due dates.

**Responsible Officials:** Pauline Lieu, Chief Financial Reporting Officer

**Implementation Date:** July 2022

**COMMONWEALTH OF MASSACHUSETTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2021**

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***Section III – Findings and Questioned Costs – Major Federal Programs***

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<b>Reference Number:</b>	<b>2021-007</b>
<b>Prior Year Finding:</b>	N/A
<b>Federal Agency:</b>	U.S. Department of Labor
<b>State Agency:</b>	Executive Office of Labor and Workforce Development
<b>Federal Program:</b>	Unemployment Insurance, COVID-19 – Unemployment Insurance
<b>Assistance Listing Number:</b>	17.225
<b>Award Number and Year:</b>	UI-34064-20-55-A-25 (2020) UI-34721-20-55-A-25 (2020) UI-35654-21-55-A-25 (2021)
<b>Compliance Requirement:</b>	Special Tests and Provisions – UI Reemployment Programs – Reemployment Services and Eligibility Assessments (RESEA)
<b>Type of Finding:</b>	Significant Deficiency in Internal Control Over Compliance, Other Matters

**Criteria or specific requirement:**

*Compliance:* RESEA is authorized by Section 306 of the Social Security Act and builds on the success of RESEA's predecessor, the former UI Reemployment and Eligibility Assessment (REA) program. RESEA uses an evidence-based integrated approach that combines an eligibility assessment for continuing UI eligibility and the provision of reemployment services. State administration of the RESEA is voluntary and under certain circumstances may be designed to also satisfy Worker Profiling and Reemployment Services (WPRS) requirements. Operating guidance for the RESEA program is updated annually. UIPL 13-21 provides RESEA operating Guidance for FY 2021. Per Part 4 of the 2021 Compliance Supplement, the state notice to claimant must include the RESEA's eligibility condition, requirements, benefits, and clear warnings regarding the consequences of failing to complete required elements and reasonable scheduling accommodations must be provided.

*Control:* Per 2 CFR section 200.303(a), a non-Federal entity must: Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should comply with guidance in "Standards for Internal Control in the Federal Government" issued by the Comptroller General of the United States or the "Internal Control Integrated Framework", issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

**Condition:**

We noted that for a sample of Reemployment Services and Eligibility Assessments (RESEA) cases, no documentation was sent to the claimant notifying the claimant of RESEA's eligibility condition, requirements, benefits, nor that clear warnings regarding the consequences of failing to complete required elements and reasonable scheduling accommodations were provided.



**COMMONWEALTH OF MASSACHUSETTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2021**

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***Section III – Findings and Questioned Costs – Major Federal Programs (Continued)***

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**Context:**

For 4 of 60 RESEA cases sampled, a letter was not sent to the claimant notifying the claimant of RESEA's eligibility condition, requirements, benefits, nor that clear warnings regarding the consequences of failing to complete required elements and reasonable scheduling accommodations were provided.

**Cause:**

The Executive Office of Labor and Workforce Development's procedures and internal controls are not sufficient to ensure compliance with RESEA requirements.

**Effect:**

Claimants may not have been notified of the RESEA eligibility requirements and process.

**Questioned costs:**

Undetermined.

**Recommendation:**

We recommend that policies and procedures be implemented to ensure that internal controls over RESEA include maintaining appropriate documentation and that all RESEA claimants receive notifications which informs them of RESEA's eligibility condition, requirements, benefits, and provides clear warnings regarding the consequences of failing to complete required elements and that reasonable scheduling accommodations are provided.

**Views of Responsible Officials:**

Management agrees with the finding.

**COMMONWEALTH OF MASSACHUSETTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2021**

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***Section III – Findings and Questioned Costs – Major Federal Programs (Continued)***

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**Reference Number:** 2021-008

**Prior Year Finding:** N/A

**Federal Agency:** U.S. Department of Labor

**State Agency:** Executive Office of Labor and Workforce Development

**Federal Program:** Unemployment Insurance, COVID-19 – Unemployment Insurance

**Assistance Listing Number:** 17.225

**Award Number and Year:** UI-34064-20-55-A-25 (2020)  
UI-34721-20-55-A-25 (2020)  
UI-35654-21-55-A-25 (2021)

**Compliance Requirement:** Special Tests and Provisions – UI Program Integrity - Overpayments

**Type of Finding:** Material Weakness in Internal Control over Compliance, Material Noncompliance

**Criteria or specific requirement:**

*Compliance:* States are (1) required to impose a monetary penalty (not less than 15 percent) on claimants whose fraudulent acts resulted in overpayments, and (2) states are prohibited from providing relief from charges to an employer's UI account when overpayments are the result of the employer's failure to respond timely or adequately to a request for information. States may continue to waive recovery of overpayments in certain situations and must continue to offer the individual a fair hearing prior to recovery.

Section 2103 of Pub. L. No. 112-96 amended FUTA and the Social Security Act to require states to recover overpayments through an offset against UC payments. States must enter into two agreements prior to commencing the recoveries: Cross Program Offset and Recovery Agreement (see UIPL No. 05-13), which allows states to offset state UI from federal UI overpayments; and Interstate Reciprocal Overpayment Recovery Agreement, which allows states to recover overpayments from benefits being administered by another state.

States that recover PEUC and EB overpayments must ensure that the recovered payments are returned to EUCA in chronological order from the date the overpayment was established, identifying the program source (PEUC or EB) when the funds are returned to the UTF. In addition, any FPUC that is recovered must be returned to the UTF.

Additionally, states that recover FPUC, PUA, PEUC, and MEUC overpayments must ensure that the recovered payments are returned to the source of such funds.

*Control:* Per 2 CFR section 200.303(a), a non-Federal entity must: Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should comply with guidance in "Standards for Internal Control in the Federal Government" issued by the Comptroller General of the United States or

**COMMONWEALTH OF MASSACHUSETTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2021**

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***Section III – Findings and Questioned Costs – Major Federal Programs (Continued)***

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the “Internal Control Integrated Framework”, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

**Condition:**

Documentation supporting that program overpayments were detected, calculated and recovered in accordance with program requirements was not provided.

**Context:**

Sixty overpayment cases were selected for testing and the following exceptions were noted:

- For 4 of 60 overpayment cases, we were unable to determine if the fraud penalty of at least 15% had been applied.
- For 5 of 60 overpayment cases, we were unable to determine if the overpayments were the result of the employer’s failure to respond timely or adequately to a request for information.
- For 4 of 60 overpayment cases, we were unable to determine if overpayments were recovered through an offset against UC payments.
- 1 of 60 overpayment recoveries exceeded the overpayment amount and we were unable to determine if the overpayment recoveries related to the overpayment recorded at year-end
- For 5 of 60 overpayment cases, we were unable to determine if interest had been calculated and applied.
- For 4 of 60 overpayment cases, we were unable to determine the amount recovered, if any.
- For 3 of 60 overpayment cases, we were unable to determine the detection method or overpayment cause.
- For 18 of 60 overpayment cases, the State did not pursue collection of the overpayments.

**Cause:**

The Executive Office of Labor and Workforce Development’s (the Department’s) procedures and internal controls are not sufficient to ensure that documentation supporting overpayment recoveries is maintained and available.

**Effect:**

The Department was not in compliance with program special tests and provision requirements related to overpayment recovery.

**Questioned costs:**

Undetermined.

**Recommendation:**

We recommend that the Department review and enhance procedures and controls to ensure that it maintains documentation to support overpayment recoveries.

**Views of Responsible Officials:**

Management agrees with the finding.

**COMMONWEALTH OF MASSACHUSETTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2021**

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***Section III – Findings and Questioned Costs – Major Federal Programs (Continued)***

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**Reference Number:** 2021-009  
**Prior Year Finding:** N/A  
**Federal Agency:** U.S. Department of Labor  
**State Agency:** Executive Office of Labor and Workforce Development  
**Federal Program:** Unemployment Insurance  
**Assistance Listing Number:** 17.225  
**Award Number and Year:** UI-34064-20-55-A-25 (2020)  
UI-34721-20-55-A-25 (2020)  
UI-35654-21-55-A-25 (2021)  
**Compliance Requirement:** Reporting – Financial  
**Type of Finding:** Significant Deficiency in internal control over compliance, Other Matters

**Criteria or specific requirement:**

*Compliance – ETA 9130, Financial Status Report, UI Programs* – This report is used to report program and administrative expenditures. All ETA grantees are required to submit quarterly financial reports for each grant award which they operate, including standard program and pilot, demonstration, and evaluation projects. Financial data is required to be reported cumulatively from grant inception through the end of each reporting period. A separate ETA 9130 is submitted for each of the following: UI, PEUC, and PUA Administration, DUA, TRA/RTAA, and UA Projects (administration and benefits). See TEGL No. 02-16 for specific and clarifying instructions about the ETA 9130. Per 9130 guidelines the report is submitted via an on-line reporting system. The report submission process is 3-steps (1) secondary contact enters in the data (2) primary contact is responsible for certifying the accuracy of the data by entering the PIN (3) DOI/ETA is responsible for reviewing the FSR, communicating with the grantee and accepting the report within 10 working days after certification. Quarterly reporting deadlines: May 15 (March end date), August 14 (June 30 end date), November 14 (September end date), February 14 (December 31 end date).

*Control:* Per 2 CFR section 200.303(a), a non-Federal entity must: Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should comply with guidance in “Standards for Internal Control in the Federal Government” issued by the Comptroller General of the United States or the “Internal Control Integrated Framework”, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

**Condition:**

The Executive Office of Labor and Workforce Development (the Department) did not submit several ETA 9130 reports by the due date as required. The Department also did not provide documentation to auditors timely to support submission of several reports. Therefore, auditors were unable to determine if the reports had been submitted in compliance with reporting requirements.

**COMMONWEALTH OF MASSACHUSETTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2021**

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***Section III – Findings and Questioned Costs – Major Federal Programs (Continued)***

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**Context:**

We reviewed a sample of ETA 9130 reports and noted the following exceptions:

- Ten of forty-two samples selected for testing were submitted late. The reports were filed two to thirty days late.
- For two of forty-two samples selected for testing, no report was provided.
- For five of forty-two samples selected for testing, information reported did not agree to supporting documentation, specific to Line 10d – Total Federal Funds Authorized.
- For three of forty-two samples selected for testing, no supporting documentation was provided.
- For one of forty-two samples selected for testing, the full report was not provided and therefore information reported on page two of the report could not be agreed to supporting documents.

**Cause:**

The Department does not have sufficient internal controls in place over compliance of the ETA 9130 reporting process.

**Effect:**

Numerous reports were submitted late, and documentation was not submitted timely providing evidence of compliance with reporting requirements.

**Questioned costs:**

Undetermined.

**Recommendation:**

We recommend that policies and procedures be implemented to ensure that internal controls over reporting include the maintenance of all supporting documentation and timely submission to the on-line reporting system.

**Views of responsible officials:**

Management agrees with the finding.

**COMMONWEALTH OF MASSACHUSETTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2021**

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***Section III – Findings and Questioned Costs – Major Federal Programs (Continued)***

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**Reference Number:** 2021-010  
**Prior Year Finding:** 2020-014, 2020-016  
**Federal Agency:** U.S. Department of Labor  
**State Agency:** Executive Office of Labor and Workforce Development  
**Federal Program:** WIOA Cluster  
**Assistance Listing Number:** 17.258, 17.259, 17.278  
**Award Number and Year:** AA-34774-20-55-A-25 (2020)  
AA-33235-19-55-A-25 (2019)  
AA-32055-18-55-A-25 (2018)  
AA-30735-17-55-A-25 (2017)  
**Compliance Requirement:** Allowable Costs/Cost Principles  
**Type of Finding:** Significant Deficiency in Internal Control over Compliance, Other Matters

**Criteria or specific requirement:**

*Compliance* – The standards for documentation of personnel expenses are outlined in 2 CFR 200.430. The standards require charges to Federal awards for salaries and wages must be based on records that accurately reflect the work performed. These records must:

- i. Be supported by a system of internal control which provides reasonable assurance that the charges are accurate, allowable, and properly allocated;
- ii. Be incorporated into the official records of the non-Federal entity;
- iii. Reasonably reflect the total activity for which the employee is compensated by the non-Federal entity, not exceeding 100% of compensated activities;
- iv. Encompass both federally assisted and all other activities compensated by the non-Federal entity on an integrated basis, but may include the use of subsidiary records as defined in the non-Federal entity's written policy;
- v. Comply with the established accounting policies and practices of the non-Federal entity

Per 2 CFR section 200 Appendix IV, indirect costs are those that have been incurred for common or joint objectives and cannot be readily identified with a particular final cost objective. Direct cost of minor amounts may be treated as indirect costs under the conditions described in § 200.413(d). After direct costs have been determined and assigned directly to awards or other work as appropriate, indirect costs are those remaining to be allocated to benefitting cost objectives. A cost may not be allocated to a Federal award as an indirect cost if any other cost incurred for the same purpose, in like circumstances, has been assigned to a Federal award as a direct cost.

*Control:* Per 2 CFR section 200.303(a), a non-Federal entity must: Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should comply with guidance in "Standards for Internal Control in the Federal Government" issued by the Comptroller General of the United States or the "Internal Control Integrated Framework", issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

**COMMONWEALTH OF MASSACHUSETTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2021**

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***Section III – Findings and Questioned Costs – Major Federal Programs (Continued)***

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**Condition:**

The Executive Office of Labor and Workforce Development (the Department) charged budgeted personnel costs to the program instead of actual costs due to errors coding employee timesheets.

- The WIOA Cluster grant incurs direct payroll charges and represents approximately \$4.7 million (14.8%) of total WIOA cluster spending. The Department implemented the use of combination codes within Self-Service Time and Attendance (SSTA), a module of the HR/CMS application in July 2019. Prior to this date, payroll was assigned to grants based on budgeted time and effort allocations maintained in the Labor Cost Management (LCM) module of the Massachusetts Management Accounting and Reporting System (MMARS).
- SSTA combination codes are used by employees to allocate and certify hours worked to Federal grants. Subsequently, employees' supervisors are required to perform a line item review of hours spent on each grant before approving timesheets. In the event that a timesheet is approved without the use of combination codes, the system will default to budgeted grant allocations entered into LCM.

We also noted that the Department charged the Statewide Cost Allocation Plan and US DOL approved indirect cost rates to the same allowable program cost. The Department was approved to use the indirect cost rates from U.S. DOL and the Commonwealth of Massachusetts' Statewide Cost Allocation Plan. Both rates supported similar direct program costs. In determining the total indirect cost, the Department applied the Statewide Cost Allocation Plan indirect rate (to the allowed program cost), then applied the U.S. DOL indirect cost rate. The total indirect cost was the sum the calculated indirect cost from the application of the Statewide Cost Allocation Plan and U.S. DOL.

While we noted that both indirect cost rates supported the similar direct costs, the Department did not obtain documentation to support the application of both indirect cost rates to the same eligible program cost.

**Context:**

The following exceptions were noted during testing:

Sixty timesheets were selected for testing and the following exceptions were noted:

- For 4 of 60 timesheets, combination codes were not included for the employee's absence (sick/personal leave, holiday/compensatory time).
- For 1 of 60 timesheets, combination codes were not included for the time worked by the employee.
- For 5 of 60 (8.3%) timesheets, WIOA cluster items tested combination codes were not used in the selected timesheets due to the timesheet being approved without the use of the codes.

Sixty indirect costs were selected for testing and the following exceptions were noted:

- For a sample of 14 out of 60 indirect costs selected for testing, these costs were calculated based on the sum of the SWCAP and US DOL indirect cost.

**Cause:**

The Department does not have updated policies/procedures and sufficient internal controls in place over compliance of time and effort and indirect costs.

**COMMONWEALTH OF MASSACHUSETTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2021**

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***Section III – Findings and Questioned Costs – Major Federal Programs (Continued)***

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**Effect:**

Payroll charges allocated to grants based on budgeted time and effort can result in federal reimbursements that are not reflective of actual time and effort working on a grant. Indirect costs may be overcharged to the grant.

**Questioned costs:**

Undetermined.

**Recommendation:**

We recommend that policies and procedures be implemented to ensure consistency in charging employee absences (personal/sick leave, holiday/compensatory time) to Federal programs. We recommend the Department obtain documentation to support the application of both indirect cost rates to the same eligible program cost.

**Views of responsible officials:**

Management agrees with the finding.



**COMMONWEALTH OF MASSACHUSETTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2021**

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***Section III – Findings and Questioned Costs – Major Federal Programs (Continued)***

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**Reference Number:** 2021-011  
**Prior Year Finding:** N/A  
**Federal Agency:** U.S. Department of Labor  
**State Agency:** Executive Office of Labor and Workforce Development  
**Federal Program:** WIOA Cluster  
**Assistance Listing Number:** 17.258, 17.259, 17.278  
**Award Number and Year:** AA-32055-18-55-A-25 (2018)  
**Compliance Requirement:** Reporting – ETA 9130  
**Type of Finding:** Significant Deficiency in Internal Control over Compliance, Other Matters

**Criteria or specific requirement:**

*Compliance* – ETA-9130, Financial Report (OMB No. 1205-0461) – All ETA grantees are required to submit quarterly financial reports for each grant award they receive. Reports are required to be prepared using the specific format and instructions for the applicable program(s); in this case, Workforce Innovation and Opportunity Act instructions for the following: Statewide Adult; Workforce Statewide Youth; Statewide Dislocated Worker; Local Adult; Local Youth; and Local Dislocated Worker. A separate ETA 9130 is submitted for each of these categories. Funds reserved and set aside for PFP contract strategies are required to be reported on ETA 9130 basic reports for each WIOA fund source utilized. Reports are due 45 days after the end of the reporting quarter. Financial data is required to be reported cumulatively from grant inception through the end of each reporting period.

*Control:* Per 2 CFR section 200.303(a), a non-Federal entity must: Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should comply with guidance in “Standards for Internal Control in the Federal Government” issued by the Comptroller General of the United States or the “Internal Control Integrated Framework”, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

**Condition:**

The Executive Office of Labor and Workforce Development (the Department) did not submit the 3/31/2021 quarterly ETA 9130 report by the due date for grants FWIADWK19 Local, FWIADWK19 State, and FWIADWK19 Rapid Response.

**Context:**

We selected ETA 9130 reports covering quarters 9/30/2020 and 3/31/2021. We noted that 3 of 69 reports were submitted after the due date. The 3/31/2021 quarterly reports were due by 5/15/2021 but FWIADWK19 Local, FWIADWK19 State, and FWIADWK19 Rapid Response reports were submitted two days late on 5/17/2021.

**COMMONWEALTH OF MASSACHUSETTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2021**

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***Section III – Findings and Questioned Costs – Major Federal Programs (Continued)***

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**Cause:**

The Department does not have sufficient internal controls in place over compliance of the ETA 9130 reporting process to ensure that reports are submitted timely.

**Effect:**

Internal Controls for reporting did not prevent the late submissions of the ETA 9130 reports.

**Questioned costs:**

None.

**Recommendation:**

We recommend that policies and procedures be implemented over ETA 9130 reporting to ensure that internal controls include the timely submission of reports to the on-line reporting system.

**Views of responsible officials:**

Management agrees with the finding.

**COMMONWEALTH OF MASSACHUSETTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2021**

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***Section III – Findings and Questioned Costs – Major Federal Programs (Continued)***

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<b>Reference Number:</b>	<b>2021-012</b>
<b>Prior Year Finding:</b>	N/A
<b>Federal Agency:</b>	U.S. Department of Labor
<b>State Agency:</b>	Executive Office of Labor and Workforce Development
<b>Federal Program:</b>	WIOA Cluster
<b>Assistance Listing Number:</b>	17.258, 17.259, 17.278
<b>Award Number and Year:</b>	AA-34774-20-55-A-25 (2020)
<b>Compliance Requirement:</b>	Reporting – Federal Funding Accountability and Transparency Act (FFATA)
<b>Type of Finding:</b>	Significant Deficiency in Internal Control over Compliance, Other Matters

**Criteria or specific requirement:**

*Compliance* – Per the Federal Funding Accountability and Transparency Act (FFATA), prime (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). Reports must be filed in FSRS by the end of the month following the month in which the prime recipient awards any sub-grant greater than or equal to \$30,000. If the initial award is below \$30,000 but subsequent grant modifications result in a total award equal to or over \$30,000, the award will be subject to the reporting requirements as of the date the award exceeds \$30,000. If the initial award equals or exceeds \$30,000 but funding is subsequently de-obligated such that the total award amount falls below \$30,000, the award continues to be subject to FFATA reporting requirements.

The following key data elements must be reported: Subawardee Name and Data Universal Numbering System (DUNS) number; Amount of Subaward (inclusive of modifications); Subaward Obligation/Action Date; Date of Report Submission; Subaward Number; Project Description; and Names and Compensation of Highly Compensated Officers. (Names and Compensation of Highly Compensated Officers must only be reported when the entity in the preceding fiscal year received 80 percent or more of its annual gross revenues in Federal awards; and \$30,000,000 or more in annual gross revenues from Federal awards; and the public does not have access to this information about the compensation of the senior executives of the entity through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. §§ 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986.)

*Control:* Per 2 CFR section 200.303(a), a non-Federal entity must: Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should comply with guidance in “Standards for Internal Control in the Federal Government” issued by the Comptroller General of the United States or the “Internal Control Integrated Framework”, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

**COMMONWEALTH OF MASSACHUSETTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2021**

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***Section III – Findings and Questioned Costs – Major Federal Programs (Continued)***

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**Condition:**

Subaward information was not reported to FSRS.

**Context:**

Twenty subrecipients were selected for testing for a total of \$3,621,784 in subawards. The subawards for these 20 items, as well as all other subawards issued by the Executive Office of Labor and Workforce Development (the Department) were not reported in FSRS.

Transactions Tested	Subaward not reported	Report not timely	Subaward amount incorrect	Subaward missing key elements
20	20	20	0	0
Dollar Amount of Tested Transactions	Subaward not reported	Report not timely	Subaward amount incorrect	Subaward missing key elements
\$3,621,784	\$3,621,784	\$3,621,784	\$0	\$0

**Cause:**

Internal controls were not sufficient to ensure all subaward information was reported in FSRS.

**Effect:**

Subawards were not reported accurately to FSRS in accordance with FFATA requirements.

**Questioned costs:**

None.

**Recommendation:**

We recommend the Department review and enhance internal controls and procedures to ensure that all required subawards are reported timely to FSRS no later than the end of the month following the month of issuance.

**Views of responsible officials:**

Management agrees with the finding.

**COMMONWEALTH OF MASSACHUSETTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2021**

---

***Section III – Findings and Questioned Costs – Major Federal Programs (Continued)***

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**Reference Number:** 2021-013  
**Prior Year Finding:** N/A  
**Federal Agency:** U.S. Department of Labor  
**State Agency:** Executive Office of Labor and Workforce Development  
**Federal Program:** WIOA Cluster  
**Assistance Listing Number:** 17.258, 17.259, 17.278  
**Award Number and Year:** AA-32055-18-55-A-25 (2018)  
**Compliance Requirement:** Earmarking  
**Type of Finding:** Significant Deficiency in Internal Control over Compliance

**Criteria or specific requirement:**

*Control:* Per 2 CFR section 200.303(a), a non-Federal entity must: Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should comply with guidance in “Standards for Internal Control in the Federal Government” issued by the Comptroller General of the United States or the “Internal Control Integrated Framework”, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

**Condition:**

Earmarking requirements are reported on ETA 9130 quarterly reports. Evidence of review of earmarking requirements is noted by certification on ETA 9130 reports. We noted that the certification page was missing from a sample of reports tested.

**Context:**

The Department has designed and implemented an internal control that requires a formal certification of the ETA 9130 report to provide reasonable assurance that it is managing Federal awards in compliance with the earmarking compliance requirements. For six of fourteen samples of reports submitted for the 6/30/2021 quarter, no documentation was provided to the auditors to support the earmarking requirement review.

**Cause:**

The Department had significant turnover in the Budget section, which oversees the ETA 9130 report process.

**Effect:**

Controls over review of the earmarking requirements could not be verified by auditors due to the Department’s failure to provide supporting documentation that ETA 9130 reports had been certified as required by their procedures.

**COMMONWEALTH OF MASSACHUSETTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2021**

---

***Section III – Findings and Questioned Costs – Major Federal Programs (Continued)***

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**Questioned costs:**

None.

**Recommendation:**

We recommend the Department strengthen policies and procedures to ensure that the ETA 9130 reports are certified, and that documentation of certified reports is maintained and readily available.

**Views of responsible officials:**

Management agrees with the finding.

**COMMONWEALTH OF MASSACHUSETTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2021**

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***Section III – Findings and Questioned Costs – Major Federal Programs (Continued)***

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**Reference Number:** 2021-014  
**Prior Year Finding:** N/A  
**Federal Agency:** U.S. Department of Labor  
**State Agency:** Executive Office of Labor and Workforce Development  
**Federal Program:** WIOA Cluster  
**Assistance Listing Number:** 17.258, 17.259, 17.278  
**Award Number and Year:** AA-30735-17-55-A-25 (2017)  
**Compliance Requirement:** Period of Performance  
**Type of Finding:** Significant Deficiency in Internal Control over Compliance, Other Matters

**Criteria or specific requirement:**

*Compliance* – Funds allotted to a state for any program year are available for expenditure by the state during that program year and the two succeeding program years (29 USC 3249(g)(2)).

*Control:* Per 2 CFR section 200.303(a), a non-Federal entity must: Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should comply with guidance in “Standards for Internal Control in the Federal Government” issued by the Comptroller General of the United States or the “Internal Control Integrated Framework”, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

**Condition:**

Expenditures for program year 2017 were charged to the program during fiscal year 2021. Per the grant award, the period of performance for program year 2017 expenditures ended on 6/30/2020 and no expenditures associated with this program year should have been recorded during fiscal year 2021.

**Context:**

When analyzing the general ledger detail, we noted that 2021 expenditures were charged to program year 2017 grant coding. Awards for the Youth program are awarded at one time with a beginning period of performance of April 1. Awards for the Adult and Dislocated Worker programs are awarded in two increments with a beginning period of performance of July 1 and October 1, respectively. The initial award is noted as a base award and the subsequent award is noted as an advance award.

When analyzing the general ledger detail to identify the population for testing, we found expenditures totaling \$43,229.80 associated with program year 2017 were recorded in the current year. There were \$8,325 total expenditures for the Adult program associated with the base award; \$21,529.73 total expenditures for the Adult program associated with the advance award; and \$13,375.07 total expenditures for the Youth program.

In addition, we found adjustments totaling \$46,417.77 associated with the 2018 Youth program. Although these adjustments appear to be charged to the correct grant, the supporting documentation indicated these funds were being returned for three separate programs, which included DVOP (Assistance Listing #17.801), Overhead (Assistance Listing #17.259), and Dislocated Worker – Rapid

**COMMONWEALTH OF MASSACHUSETTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2021**

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***Section III – Findings and Questioned Costs – Major Federal Programs (Continued)***

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Response (Assistance Listing #17.278). All of these funds were recorded in the general ledger detail to Assistance Listing #17.259.

**Cause:**

The Executive Office of Labor and Workforce Development (the Department) did not have sufficient internal controls in place over compliance with period of performance requirements.

**Effect:**

Expenditures were charged to the program for a grant year that had ended prior to the current fiscal year.

**Questioned costs:**

\$43,229.80, the amount of expenditures associated with program year 2017.

**Recommendation:**

We recommend the Department strengthen its internal controls over compliance with period of performance requirements. In particular, the controls should address expenditures being recorded during the closeout process.

**Views of responsible officials:**

Management agrees with the finding.



**COMMONWEALTH OF MASSACHUSETTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2021**

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***Section III – Findings and Questioned Costs – Major Federal Programs (Continued)***

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**Reference Number:** 2021-015  
**Prior Year Finding:** 2020-015  
**Federal Agency:** U.S. Department of Labor  
**State Agency:** Executive Office of Labor and Workforce Development  
**Federal Program:** WIOA Cluster  
**Assistance Listing Number:** 17.258, 17.259, 17.278  
**Award Number and Year:** AA-34774-20-55-A-25 (2020)  
AA-33235-19-55-A-25 (2019)  
AA-32055-18-55-A-25 (2018)  
AA-30735-17-55-A-25 (2017)  
**Compliance Requirement:** Reporting – WIOA Participant Individual Record Layout (PIRL)  
**Type of Finding:** Significant Deficiency in Internal Control over Compliance, Other Matters

**Criteria or specific requirement:**

*Compliance* – On a quarterly basis, the Department is required to report services, activities, and outcomes of service for all job seekers and veterans as part of their Participant Individual Record Layout (PIRL) submission.

*Control:* Per 2 CFR section 200.303(a), a non-Federal entity must: Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should comply with guidance in “Standards for Internal Control in the Federal Government” issued by the Comptroller General of the United States or the “Internal Control Integrated Framework”, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

**Condition:**

The Executive Office of Labor and Workforce Development (the Department) did not report key line item information accurately for one participant on two quarterly reports.

**Context:**

We noted that 1 of 60 (2%) items selected from two quarters of PIRL submissions did not display the correct code value for Data Element 1618: “Retention with the same employer in the 2<sup>nd</sup> Quarter and the 4<sup>th</sup> Quarter” as per U.S. Department of Labor instructions. The data source of this data element is UI Online.

The information included in the PIRL submission is sourced from multiple systems, including the Department of Career Services (DCS)’ case management system, MOSES; the Unemployment Insurance system which includes employer wage data, UI Online; and the federal database which includes wage information from other states, SWIS. This information is combined by DCS in order to file their PIRL submission and errors were made when compiling data for one participant. Information from UI Online is provided by the Department of Unemployment Assistance (DUA) to DCS upon request.

**COMMONWEALTH OF MASSACHUSETTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2021**

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***Section III – Findings and Questioned Costs – Major Federal Programs (Continued)***

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**Cause:**

The Department's internal controls over compliance of the PIRL reporting process are not working sufficiently to ensure that the information included on the reports is complete and accurate.

**Effect:**

Errors in PIRL submissions results in inaccurate reporting of employment statistics to the federal government which can affect programmatic decisions made by the federal government.

**Questioned costs:**

None.

**Recommendation:**

We recommend that policies and procedures be implemented to ensure that internal controls over reporting include verifying data from source documentation is accurate when completing PIRL reports.

**Views of responsible officials:**

Management agrees with the finding.

**COMMONWEALTH OF MASSACHUSETTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2021**

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***Section III – Findings and Questioned Costs – Major Federal Programs (Continued)***

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<b>Reference Number:</b>	<b>2021-016</b>
<b>Prior Year Finding:</b>	N/A
<b>Federal Agency:</b>	U.S. Department of Labor
<b>State Agency:</b>	Executive Office of Labor and Workforce Development
<b>Federal Program:</b>	WIOA Cluster
<b>Assistance Listing Number:</b>	17.258, 17.259, 17.278
<b>Award Number and Year:</b>	AA-34774-20-55-A-25 (2020)
<b>Compliance Requirement:</b>	Subrecipient Monitoring
<b>Type of Finding:</b>	Significant Deficiency in Internal Control over Compliance, Other Matters

**Criteria or specific requirement:**

*Compliance – Subrecipient Monitoring* - Per 2 CFR section 200.332 - Requirements for Pass-Through Entities states, in part, that all pass-through entities must:

- (a) Ensure that every subaward is clearly identified to the subrecipient as a subaward and includes the following information at the time of the subaward and if any of these data elements change, include the changes in subsequent subaward modification. When some of this information is not available, the pass-through entity must provide the best information available to describe the Federal award and subaward. Required information includes:
- Subrecipient name (which must match the name associated with its unique entity identifier);
  - Subrecipient's unique entity identifier;
  - Federal Award Identification Number (FAIN);
  - Federal Award Date (see the definition of Federal award date in § 200.1 of this part) of award to the recipient by the Federal agency;
  - Subaward Period of Performance Start and End Date;
  - Subaward Budget Period Start and End Date;
  - Amount of Federal Funds Obligated by this action by the pass-through entity to the subrecipient;
  - Total Amount of Federal Funds Obligated to the subrecipient by the pass-through entity including the current financial obligation;
  - Total Amount of the Federal Award committed to the subrecipient by the pass-through entity;
  - Federal award project description, as required to be responsive to the Federal Funding Accountability and Transparency Act (FFATA);
  - Name of Federal awarding agency, pass-through entity, and contact information for awarding official of the Pass-through entity;
  - Assistance Listings number and Title; the pass-through entity must identify the dollar amount made available under each Federal award and the Assistance Listings Number at time of disbursement;
  - Identification of whether the award is R&D; and
  - Indirect cost rate for the Federal award (including if the de minimis rate is charged) per section 200.414.

**COMMONWEALTH OF MASSACHUSETTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2021**

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***Section III – Findings and Questioned Costs – Major Federal Programs (Continued)***

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- (b) Evaluate each subrecipient's risk of noncompliance with Federal statutes, regulations, and the terms and conditions of the subaward for purposes of determining the appropriate subrecipient monitoring.
- (d) Monitor the activities of the subrecipient as necessary to ensure that the subaward is used for authorized purposes, in compliance with Federal statutes, regulations, and the terms and conditions of the subaward; and that subaward performance goals are achieved.

**Control:** Per 2 CFR section 200.303(a), a non-Federal entity must: Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should comply with guidance in “Standards for Internal Control in the Federal Government” issued by the Comptroller General of the United States or the “Internal Control Integrated Framework”, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

**Condition:**

The Executive Office of Labor and Workforce Development (the Department) did not furnish all required information to its subrecipients at the time of issuance of subawards nor was it able to provide support that it properly monitored all subrecipients.

**Context:**

Six subawards were selected for testing and the following exceptions were noted:

- 6 of 6 subawards were missing the Federal Award Identification Number (FAIN).
- 1 of 6 subawards was missing the subrecipient's unique identifier.
- The Department was unable to provide documentation that 1 of 6 subrecipients was properly monitored.

**Cause:**

The Department did not establish effective internal controls and procedures over subrecipient monitoring to ensure that it issued and monitored subawards in accordance with 2 CFR section 200.332.

**Effect:**

Excluding required federal grant award information at the time of the subaward may cause subrecipients and their auditors to be uninformed about specific program and other regulations that apply to the funds they receive. There is also the potential for subrecipients to have incomplete Schedules of Expenditures of Federal Awards (SEFA) in their Single Audit reports, and federal funds may not be properly audited at the subrecipient level in accordance with the Uniform Guidance.

Failure to properly monitor subrecipients increases the risk that subrecipients may inappropriately spend and/or inaccurately track and report federal funds and discrepancies may not be detected or corrected on a timely basis.

**Questioned costs:**

Undetermined

**COMMONWEALTH OF MASSACHUSETTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2021**

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***Section III – Findings and Questioned Costs – Major Federal Programs (Continued)***

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**Recommendation:**

We recommend the Department review and enhance internal controls and procedures to ensure that all required information is included in its subawards, and that timely monitoring of subrecipients is documented.

**Views of Responsible Officials:**

Management agrees with the finding.

**COMMONWEALTH OF MASSACHUSETTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2021**

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***Section III – Findings and Questioned Costs – Major Federal Programs (Continued)***

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<b>Reference Number:</b>	<b>2021-017</b>
<b>Prior Year Finding:</b>	N/A
<b>Federal Agency:</b>	U.S. Department of the Treasury
<b>State Agency:</b>	Executive Office of Health and Human Services
<b>Federal Program:</b>	COVID-19 – Coronavirus Relief Fund
<b>Assistance Listing Number:</b>	21.019
<b>Award Number and Year:</b>	SLT0023 (2020), SLT0219 (2020), SLT0470 (2020)
<b>Compliance Requirement:</b>	Activities Allowed or Unallowed
<b>Type of Finding:</b>	Significant Deficiency in Internal Control Over Compliance

**Criteria or specific requirement:**

*Control:* Per 2 CFR section 200.303(a), a non-Federal entity must: Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should comply with guidance in “Standards for Internal Control in the Federal Government” issued by the Comptroller General of the United States or the “Internal Control Integrated Framework”, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

**Condition:**

We noted that a sample of invoices were not approved prior to payment and one invoice was not provided timely.

**Context:**

The Department of Administration and Finance has oversight responsibility for Coronavirus Relief Fund expenditures and reporting for the Commonwealth of Massachusetts (the Commonwealth). Multiple agencies and departments within the Commonwealth incur costs charged to the program which are compiled by the Department of Administration of Finance. The Executive Office of Health and Human Services (EOHHS) is one of the departments responsible for the spending of funds and for internal controls related to that spending.

Sixty cash disbursement transactions were selected for testing, of which ten were incurred by EOHHS. The following exceptions were noted:

- For four expenditure transactions selected for testing, EOHHS was not able to provide evidence that the invoice was reviewed prior to payment.
- For one expenditure transaction selected for testing, supporting documentation was not provided timely. EOHHS did not provide the invoice until six months after it was requested for testing.

**Cause:**

The Executive Office of Health and Human Services’ procedures and controls were not sufficient to ensure that supporting documentation was maintained for expenditures.

**COMMONWEALTH OF MASSACHUSETTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2021**

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***Section III – Findings and Questioned Costs – Major Federal Programs (Continued)***

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**Effect:**

EOHHS did not establish effective internal controls which could increase the risk of unallowable costs being charged to the grant.

**Questioned costs:**

None noted. The invoices were for allowable activities.

**Recommendation:**

We recommend that EOHHS review and enhance procedures and controls to ensure that documentation is maintained supporting review of charges to the program.

**Views of Responsible Officials:**

Management agrees with the finding.

**COMMONWEALTH OF MASSACHUSETTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2021**

***Section III – Findings and Questioned Costs – Major Federal Programs (Continued)***

**Reference Number:** 2021-018  
**Prior Year Finding:** N/A  
**Federal Agency:** U.S. Department of the Treasury  
**State Agency:** Department of Housing and Community Development  
**Federal Program:** COVID-19 – Emergency Rental Assistance  
**Assistance Listing Number:** 21.023  
**Award Number and Year:** ERA-1 (12/27/2020 – 9/30/2022), ERA-2 (5/1/2021 – 9/30/2025)  
**Compliance Requirement:** Reporting  
**Type of Finding:** Significant Deficiency in Internal Control Over Compliance, Other Matters

**Criteria or specific requirement:**

*Compliance:* Per Emergency Rental Assistance program reporting requirements, Recipient reporting obligations include submissions of Monthly and Quarterly Reports. Recipients must provide all required reports on each ERA1 and ERA2 award separately without commingling funds, data, or records. The following represents the reporting deadlines for ERA1 and ERA2 Monthly and Quarterly Reporting:

**ERA1 Award Reports – Reporting Periods and Submission Deadlines**

State, Local, and Territorial Recipients	Cycle	Calendar Quarter / Month and Year	Reporting Period	Submission Deadline
Required	Monthly 1	April Monthly	Apr 1-30, 2021	May 15, 2021
Required	Monthly 2	May Monthly	May 1-31, 2021	Jun 15, 2021
Required	Monthly 3	Jun Monthly	Jun 1-30, 2021	Jul 15, 2021
Required	1	Q1 2021	Award Date – Mar 30, 2021	Jul 29, 2021
Required	2	Q2 2021	Apr 1, 2021 – Jun 30, 2021	Jul 29, 2021

**ERA2 Award Reports – Reporting Periods and Submission Deadlines**

State, Local, and Territorial Recipients	Cycle	Calendar Quarter / Month and Year	Reporting Period	Submission Deadline
Required	Monthly 1	Jun Monthly	Jun 1-30, 2021	Jul 15, 2021
Required	1	Q2 2021	Award Date – Jun 30, 2021	Jul 29, 2021



**COMMONWEALTH OF MASSACHUSETTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2021**

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***Section III – Findings and Questioned Costs – Major Federal Programs (Continued)***

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**Control:** Per 2 CFR section 200.303(a), a non-Federal entity must: Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should comply with guidance in “Standards for Internal Control in the Federal Government” issued by the Comptroller General of the United States or the “Internal Control Integrated Framework”, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

**Condition:**

We noted that documentation was not maintained by the Department of Housing and Community Development (the Department) to evidence timely submission of monthly or quarterly reports.

**Context:**

We selected a sample of two monthly reports (one each for ERA-1 and ERA-2) and three quarterly reports (two for ERA-1 and one for ERA-2). The Department did not maintain support to document when it submitted the reports, however, auditors were able to obtain report submission dates from the U.S. Treasury reporting system. We noted the following timely filing exceptions:

- ERA-1 – Monthly Reports: The April 2021 report was due 5/15/2021. The U.S. Treasury reporting system shows a filing date of 7/13/2021, or 59 days after the report due date.
- ERA-1 – Quarterly Reports: The 9/30/2021 quarterly report was due 10/29/2021. The U.S. Treasury reporting system shows a filing date of 12/9/2021, or 41 days after the report due date.
- ERA-2 – Quarterly Reports: The 9/30/2021 quarterly report was due 10/29/2021. The U.S. Treasury reporting system shows a filing date of 12/9/2021, or 41 days after the report due date.

**Cause:**

The Department’s procedures and controls were not sufficient to ensure that supporting documentation was maintained related to evidence of report submission.

**Effect:**

The Department was not in compliance with program financial reporting requirements.

**Questioned costs:**

None noted.

**Recommendation:**

We recommend the Department review and enhance procedures and controls to ensure that documentation is maintained to support reporting submissions.

**Views of Responsible Officials:**

Management agrees with the finding.

**COMMONWEALTH OF MASSACHUSETTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2021**

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***Section III – Findings and Questioned Costs – Major Federal Programs (Continued)***

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**Reference Number:** 2021-019  
**Prior Year Finding:** N/A  
**Federal Agency:** U.S. Department of Education  
**State Agency:** Executive Office of Education (Department)  
**Federal Program:** COVID-19 – Education Stabilization Fund (Governor’s Emergency Education Relief Fund)  
**Assistance Listing Number:** 84.425C  
**Award Number and Year:** S425C200005 (5/4/2020 – 9/30/2021)  
**Compliance Requirement:** Reporting – Federal Funding Accountability and Transparency Act (FFATA)  
**Type of Finding:** Significant Deficiency in Internal Control Over Compliance, Other Matters

**Criteria or specific requirement:**

*Compliance:* Per the Federal Funding Accountability and Transparency Act (FFATA), prime (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). Reports must be filed in FSRS by the end of the month following the month in which the prime recipient awards any sub-grant greater than or equal to \$30,000. If the initial award is below \$30,000 but subsequent grant modifications result in a total award equal to or over \$30,000, the award will be subject to the reporting requirements as of the date the award exceeds \$30,000. If the initial award equals or exceeds \$30,000 but funding is subsequently de-obligated such that the total award amount falls below \$30,000, the award continues to be subject to FFATA reporting requirements.

The following key data elements must be reported: Subawardee Name and Data Universal Numbering System (DUNS) number; Amount of Subaward (inclusive of modifications); Subaward Obligation/Action Date; Date of Report Submission; Subaward Number; Project Description; and Names and Compensation of Highly Compensated Officers. (Names and Compensation of Highly Compensated Officers must only be reported when the entity in the preceding fiscal year received 80 percent or more of its annual gross revenues in Federal awards; and \$30,000,000 or more in annual gross revenues from Federal awards; and the public does not have access to this information about the compensation of the senior executives of the entity through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. §§ 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986.)

*Control:* Per 2 CFR section 200.303(a), a non-Federal entity must: Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should comply with guidance in “Standards for Internal Control in the Federal Government” issued by the Comptroller General of the United States or the “Internal Control Integrated Framework”, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

**COMMONWEALTH OF MASSACHUSETTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2021**

---

***Section III – Findings and Questioned Costs – Major Federal Programs (Continued)***

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**Condition:**

A subaward issued by the Department was not reported timely and accurately to FSRS.

**Context:**

One of sixty subawards was not reported to FSRS accurately. The FFATA report showed a subaward obligation/action date of July 1, 2020; however, supporting documentation showed a subaward obligation/action date of September 15, 2020. Based on the FFATA report subaward obligation/action date of July 1, 2020, the report should have been submitted no later than August 31, 2020, but it was submitted in September 2020.

Transactions Tested	Subaward not reported	Report not timely	Subaward amount incorrect	Subaward missing key elements
60	0	1	0	0
Dollar Amount of Tested Transactions	Subaward not reported	Report not timely	Subaward amount incorrect	Subaward missing key elements
\$56,824,363	\$0	\$18,575,000	\$0	\$0

**Cause:**

The Department's procedures were not sufficient to ensure that all subawards were reported timely and accurately to FSRS.

**Effect:**

A subaward was not reported to FSRS in accordance with FFATA requirements.

**Questioned costs:**

None noted.

**Recommendation:**

We recommend the Department review and enhance internal controls and procedures to ensure that all required subawards are reported timely and accurately to FSRS no later than the end of the month following the month of issuance.

**Views of Responsible Officials:**

Management agrees with the finding.

**COMMONWEALTH OF MASSACHUSETTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2021**

---

***Section III – Findings and Questioned Costs – Major Federal Programs (Continued)***

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<b>Reference Number:</b>	<b>2021-020</b>
<b>Prior Year Finding:</b>	N/A
<b>Federal Agency:</b>	U.S. Department of Health and Human Services
<b>State Agency:</b>	Department of Transitional Assistance (DTA)
<b>Federal Program:</b>	Temporary Assistance for Needy Families (TANF)
<b>Assistance Listing Number:</b>	93.558
<b>Award Number and Year:</b>	2020G996115 (2020), 2020G9915TC (2020), 2021G996115 (2021), 2021G9915TC (2021), 2021G990228 (2021)
<b>Compliance Requirement:</b>	Reporting
<b>Type of Finding:</b>	Significant Deficiency in Internal Control over Compliance

**Criteria or specific requirement:**

*Control:* Per 2 CFR section 200.303(a), a non-Federal entity must: Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should comply with guidance in “Standards for Internal Control in the Federal Government” issued by the Comptroller General of the United States or the “Internal Control Integrated Framework”, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

**Condition:**

During the audit we noted several reporting errors on the ACF-196R, ACF-199, ACF-209 and ACF-204. The errors were qualitative in respect to the reports and identified an inconsistency in the report review process.

**Context:**

We selected a sample of reports for testing and the following exceptions were noted:

- ACF-196R, one out of two reports tested contained exceptions
- ACF-199, one out of two reports tested contained exceptions
  - 40 data lines tested
- ACF-209, two out of two reports tested contained exceptions
  - 40 data lines tested
- ACF-204, annual report contained exceptions

Specifically, we identified the following errors:

1. ACF-196R, QE 6/30/2021
  - \$3,000 reported on line 10.a – Transportation which should have been reported on Line 9.c – Additional Work Activities.
2. ACF-199, QE 12/31/2020
  - Sample Item #2 (Q2), Data Element 30: Coded as 1 which should have been coded as 2.
  - Sample Item #8 (Q2), Data Element 50: Noted as 3 hours, which was improperly rounded up.
3. ACF-209

**COMMONWEALTH OF MASSACHUSETTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2021**

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***Section III – Findings and Questioned Costs – Major Federal Programs (Continued)***

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- QE- 12/31/2020, Sample Item #5 (Q2, #5), Data Element 15: Coded as 1 which should have been coded as 2.
  - QE 6/30/2021, Sample Item #24 (Q4, #4), Data Element 15: Coded as 1 which should have been coded as 2.
4. ACF-204, Annual Report for FFY 9/30/2020
- TANF MOE of \$19,000,000 less on the ACF-204 than the ACF-196R, the amounts should agree.
  - SSP MOE of \$27,557 less on the ACF-204 than the ACF-196R, the amounts should agree.

**Cause:**

The Department experienced several staff vacancies which contributed to the inconsistent internal review of the reports.

**Effect:**

Reports for the TANF program contained errors and internal controls did not prevent or detect the errors.

**Questioned costs:**

None noted, the reporting errors did not affect the allowability of program costs or activities.

**Recommendation:**

We recommend that the Department consistently perform all review procedures and maintain documentation of the review. Department should consider cross training staff to assist as needed to ensure consistency of the review process.

**Views of Responsible Officials:**

Management agrees with the finding and have implemented review procedures over the reporting process to detect errors and irregularities.

**COMMONWEALTH OF MASSACHUSETTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2021**

---

***Section III – Findings and Questioned Costs – Major Federal Programs (Continued)***

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**Reference Number:** 2021-021

**Prior Year Finding:** N/A

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

**State Agency:** Department of Early Education and Care (EEC)

**Federal Program:** CCDF Cluster, COVID-19 – CCDF Cluster

**Assistance Listing Number:** 93.575, 93.596

**Award Number and Year:** G-2001MACCDD (2020), G-2001MACCC3 (2020), G-2001MACCDM (2020), G-2001MACCDF (2020), G-2101MACCDD (2021), G-2101MACCDM (2021), G-2101MACCDF (2021), 2101MACCC5 (2021), 2101MACDC6 (2021), 2101MACSC6 (2021)

**Compliance Requirement:** Reporting- Federal Funding Accountability and Transparency Act (FFATA)

**Type of Finding:** Significant Deficiency- Internal Control Over Compliance, Other Matters

**Criteria or specific requirement:**

*Compliance:* Per the Federal Funding Accountability and Transparency Act (FFATA), prime (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). Reports must be filed in FSRS by the end of the month following the month in which the prime recipient awards any sub-grant greater than or equal to \$30,000. If the initial award is below \$30,000 but subsequent grant modifications result in a total award equal to or over \$30,000, the award will be subject to the reporting requirements as of the date the award exceeds \$30,000. If the initial award equals or exceeds \$30,000 but funding is subsequently de-obligated such that the total award amount falls below \$30,000, the award continues to be subject to FFATA reporting requirements.

The following key data elements must be reported: Subawardee Name and Data Universal Numbering System (DUNS) number; Amount of Subaward (inclusive of modifications); Subaward Obligation/Action Date; Date of Report Submission; Subaward Number; Project Description; and Names and Compensation of Highly Compensated Officers. (Names and Compensation of Highly Compensated Officers must only be reported when the entity in the preceding fiscal year received 80 percent or more of its annual gross revenues in Federal awards; and \$30,000,000 or more in annual gross revenues from Federal awards; and the public does not have access to this information about the compensation of the senior executives of the entity through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. §§ 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986.)

*Control:* Per 2 CFR section 200.303(a), a non-Federal entity must: Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should comply with guidance in “Standards for Internal Control in the Federal Government” issued by the Comptroller General of the United States or the “Internal Control Integrated Framework”, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

**COMMONWEALTH OF MASSACHUSETTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2021**

---

***Section III – Findings and Questioned Costs – Major Federal Programs (Continued)***

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**Condition:**

We noted that the Department did not report subawards in accordance with the Federal Funding Accountability and Transparency Act (FFATA) compliance requirements. The following observations were noted during the audit:

1. When the Department issued multiple subawards to an entity, only the largest subaward exceeding the \$30,000 threshold was reported in FSRS. Other subawards meeting the reporting threshold were not reported.
2. Subawards identified as reported by the Department were not found in FSRS.
3. Subawards and amendments (when applicable) were not reported in FSRS by the due date.
4. Subaward amounts reported to FSRS did not agree to the amount of the subaward.
5. The Department incorrectly reported contracts in FSRS which were not subject to the FFATA reporting requirements.

**Context:**

The sample selected for testing included 28 awards and 37 amendments, for a total of 65 transactions tested. We noted the following exceptions:

1. The Department was not able to provide auditors with a complete list of all first-tier subawards which met the \$30,000 FSRS reporting threshold. The population provided included only the largest subaward the Department issued to each entity, and which was reported to FSRS. The Department acknowledged there were additional subawards issued that were not reported (Income Eligible, Teen, Homeless, Special Population), but due to a lack of information, auditors were unable to determine the total number and dollar amount of subawards that should have been reported.
2. One of sixty-five transactions the Department identified as reported was not found in FSRS.
3. Sixty-four of sixty-five transactions tested were not reported timely. The twenty-eight original subawards were issued in June 2020 and amendments were issued in November 2020 and March 2021. Therefore, the subawards and amendments should have been reported by 7/31/2020, 12/31/2020, and 4/30/2021 respectively, however, all transactions were reported on 2/8/2022. Further, the amount reported by the Department was the total subaward, including all amendments, as of the report date. Individual subawards and amendments were not reported.
4. Seven of sixty-five subaward amounts reported did not agree with the amount of the subaward agreements. The total of these seven subawards was \$8,731,559 per the subaward agreements but the amount reported was \$8,462,526, resulting in an underreporting of \$269,033.
5. Thirteen of sixty-five transactions tested were determined to be contracts which were not subject to FFATA reporting requirements.

<b>Transactions Tested</b>	<b>Subaward not reported</b>	<b>Report not timely</b>	<b>Subaward amount incorrect</b>	<b>Subaward missing key elements</b>
65	Known: 1 Total: Undetermined	64	7	0
<b>Dollar Amount of Tested Transactions</b>	<b>Subaward not reported</b>	<b>Report not timely</b>	<b>Subaward amount incorrect</b>	<b>Subaward missing key elements</b>
\$13,190,983	Known: \$47,689 Total: Undetermined	\$13,143,294	<\$269,033>	\$0

**COMMONWEALTH OF MASSACHUSETTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2021**

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***Section III – Findings and Questioned Costs – Major Federal Programs (Continued)***

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**Cause:**

The Department misinterpreted the FFATA reporting requirements and performed the reporting process in accordance with their interpretation.

**Effect:**

The Department is not in compliance with the FFATA reporting requirements

**Questioned costs:**

None noted; the reporting errors did not affect the allowability of program costs or activities.

**Recommendation:**

We recommend that the Department review and update its procedures and controls to ensure that it correctly identifies all first-tier subawards that are subject to FFATA reporting and that it reports them to FSRS timely and in accordance with reporting requirements.

**Views of Responsible Officials:**

Management agrees with the finding and has updated current procedures to report subaward contracts in accordance with requirements.



**COMMONWEALTH OF MASSACHUSETTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2021**

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***Section III – Findings and Questioned Costs – Major Federal Programs (Continued)***

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**Reference Number:** 2021-022

**Prior Year Finding:** N/A

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

**State Agency:** Department of Early Education and Care (EEC)

**Federal Program:** CCDF Cluster, COVID-19 – CCDF Cluster

**Assistance Listing Number:** 93.575, 93.596

**Award Number and Year:** G-2001MACCDD (2020), G-2001MACCC3 (2020), G-2001MACCDM (2020), G-2001MACCDF (2020), G-2101MACCDD (2021), G-2101MACCDM (2021), G-2101MACCDF (2021), 2101MACCC5 (2021), 2101MACDC6 (2021), 2101MACSC6 (2021)

**Compliance Requirement:** Subrecipient Monitoring

**Type of Finding:** Significant Deficiency- Internal Control Over Compliance, Other Matters

**Criteria or specific requirement:**

*Compliance:* Per 2 CFR section 200.332(a), all pass-through entities must ensure that every subaward is clearly identified to the subrecipient as a subaward and includes the following information at the time of the subaward and if any of these data elements change, include the changes in subsequent subaward modification. When some of this information is not available, the pass-through entity must provide the best information available to describe the Federal award and subaward. Required information includes:

- Subrecipient name (which must match the name associated with its unique entity identifier);
- Subrecipient's unique entity identifier;
- Federal Award Identification Number (FAIN);
- Federal Award Date (see the definition of Federal award date in § 200.1 of this part) of award to the recipient by the Federal agency;
- Subaward Period of Performance Start and End Date;
- Subaward Budget Period Start and End Date;
- Amount of Federal Funds Obligated by this action by the pass-through entity to the subrecipient;
- Total Amount of Federal Funds Obligated to the subrecipient by the pass-through entity including the current financial obligation;
- Total Amount of the Federal Award committed to the subrecipient by the pass-through entity;
- Federal award project description, as required to be responsive to the Federal Funding Accountability and Transparency Act (FFATA);
- Name of Federal awarding agency, pass-through entity, and contact information for awarding official of the Pass-through entity;
- Assistance Listings number and Title; the pass-through entity must identify the dollar amount made available under each Federal award and the Assistance Listings Number at time of disbursement;
- Identification of whether the award is R&D; and
- Indirect cost rate for the Federal award (including if the de minimis rate is charged) per section 200.414.

**COMMONWEALTH OF MASSACHUSETTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2021**

---

***Section III – Findings and Questioned Costs – Major Federal Programs (Continued)***

---

**Control:** Per 2 CFR section 200.303(a), a non-Federal entity must: Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should comply with guidance in “Standards for Internal Control in the Federal Government” issued by the Comptroller General of the United States or the “Internal Control Integrated Framework”, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

**Condition:**

The subaward agreements did not contained all the required federal information. We noted that the subaward agreements did not identify the Federal Award Identification Number (FAIN) or federal award date of the award issued to the Department as required by 2 CFR 200.332 (a)(1) (iii)(iv).

**Context:**

The twenty-one of twenty-one subaward agreements selected for testing did not contain the required information.

**Cause:**

The Department initial subaward agreement are standard as all program expenditures are supported by general funds and claimed as federal once the program costs are reviewed by the program team. The Department should issue an addendum to agreement which identifies the federal requirements. The addendum was not provided to the auditor.

**Effect:**

The Department's federal subaward agreement is not in compliance with single audit reporting requirements.

**Questioned costs:**

None noted, the subaward agreement errors did not affect the allowability of program costs or activities.

**Recommendation:**

We recommend that the Department review and edit the original subaward agreement to include the required federal agreement language.

**Views of Responsible Officials:**

Management agrees with the finding.

**COMMONWEALTH OF MASSACHUSETTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2021**

---

***Section III – Findings and Questioned Costs – Major Federal Programs (Continued)***

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<b>Reference Number:</b>	<b>2021-023</b>
<b>Prior Year Finding:</b>	2020-011
<b>Federal Agency:</b>	U.S. Department of Health and Human Services
<b>State Agency:</b>	Executive Office of Health and Human Services (EHS)
<b>Federal Program:</b>	Medicaid Cluster, COVID-19 – Medicaid Cluster
<b>Assistance Listing Number:</b>	93.775, 93.777, 93.778
<b>Award Number and Year:</b>	XIX-MAP20, XIX-MAP21
<b>Compliance Requirement:</b>	Eligibility
<b>Type of Finding:</b>	Significant Deficiency in Internal Control over Compliance, Other Matters

**Criteria or specific requirement:**

*Compliance:* The eligibility groups covered in a state and the eligibility criteria are specified in the state plan. The state plan will also describe the income methodology used for determining eligibility. The state plan will specify if determinations of eligibility are made by agencies other than the SMA and will define the relationships and respective responsibilities of the SMA and the other agencies. The processes used by states to determine and renew eligibility for Medicaid must comply with certain federal requirements, which are described at 42 CFR Part 435, Subpart J. State processes for presumptive eligibility are described at 42 CFR Part 435, Subpart L. However, states have flexibility within this framework to establish processes that meet the unique needs of their state.

*Control:* Per 2 CFR section 200.303(a), a non-Federal entity must: Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should comply with guidance in “Standards for Internal Control in the Federal Government” issued by the Comptroller General of the United States or the “Internal Control Integrated Framework”, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

**Condition:**

During the audit we noted that the Department did not perform the redetermination of eligibility within the required time frame. A member’s redetermination required additional information prior to the Department’s determination of eligibility. The member provided the requested information, in response to a Request for Information (RFI), the Department did not review the additional documentation and complete redetermination within the required time frame.

**Context:**

For one of sixty samples selected for testing, the final redetermination was not reviewed within the 45-day time frame.

**Cause:**

The delayed redetermination was due to an oversight by the Department.

**COMMONWEALTH OF MASSACHUSETTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2021**

---

***Section III – Findings and Questioned Costs – Major Federal Programs (Continued)***

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**Effect:**

The Department is not in compliance with its eligibility redetermination time frame and may allow benefits to be provided to an ineligible applicant.

**Questioned costs:**

None, the member was redetermined as eligible.

**Recommendation:**

We recommend that the Department consistently perform the eligibility determination and redeterminations within the required time frame. Exceptions to the procedures should be documented, approved, and maintained in according to the Commonwealth's retention procedures.

**Views of Responsible Officials:**

Management agrees with the finding.

**COMMONWEALTH OF MASSACHUSETTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2021**

---

***Section III – Findings and Questioned Costs – Major Federal Programs (Continued)***

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**Reference Number:** 2021-024  
**Prior Year Finding:** 2020-007, 2019-012, 2018-022  
**Federal Agency:** U.S. Department of Health and Human Services  
**State Agency:** Executive Office of Health and Human Services (EHS)  
**Federal Program:** Medicaid Cluster, COVID-19 – Medicaid Cluster  
**Assistance Listing Number:** 93.775, 93.777, 93.778  
**Award Number and Year:** XIX-MAP20, XIX-MAP21  
**Compliance Requirement:** Special Tests and Provisions - Provider Health and Safety Standards  
**Type of Finding:** Significant Deficiency in Internal Control over Compliance, Other Matters

**Criteria or specific requirement:**

*Compliance:* Providers must meet the prescribed health and safety standards for hospital, nursing facilities, and ICF/IID (42 CFR Part 442). The standards may be modified in the state plan.

*Control:* Per 2 CFR section 200.303(a), a non-Federal entity must: Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should comply with guidance in “Standards for Internal Control in the Federal Government” issued by the Comptroller General of the United States or the “Internal Control Integrated Framework”, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

**Condition:**

The Department did not provide documentation to support recertification of the group practice organization's eligibility. The group practice organization had three providers who were eligible through the eligibility of the group practice. The recertification for the group practice organizations is performed every 5 years, the last recertification was 2017, requiring the recertification to be completed during FY 21.

We also noted the Department did not provide documentation to support their review and approval of the recertification documentation (i.e. revalidation confirmation letter).

**Context:**

For two of sixty providers selected for testing, the Department did not provide documentation to support recertification of eligibility.

**Cause:**

The Department did not maintain documentation to support the performance of the providers' recertification as the documentation was maintained in an offsite storage location and not being readily available for auditor review.

**Effect:**

The Department is unable to support compliance with the federal requirement.

**COMMONWEALTH OF MASSACHUSETTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2021**

---

***Section III – Findings and Questioned Costs – Major Federal Programs (Continued)***

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**Questioned costs:**

Undetermined.

**Recommendation:**

We recommend that the Department maintain documentation to support the determination or redetermination of provider eligibility.

**Views of Responsible Officials:**

Management agrees with the finding.

**COMMONWEALTH OF MASSACHUSETTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2021**

---

***Section III – Findings and Questioned Costs – Major Federal Programs (Continued)***

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**Reference Number:** 2021-025  
**Prior Year Finding:** N/A  
**Federal Agency:** U.S. Department of Health and Human Services  
**State Agency:** Executive Office of Health and Human Services (EHS)  
**Federal Program:** Medicaid Cluster, COVID-19 – Medicaid Cluster  
**Assistance Listing Number:** 93.775, 93.777, 93.778  
**Award Number and Year:** XIX-MAP20, XIX-MAP21  
**Compliance Requirement:** Special Tests and Provisions - Refunding of Federal Share of Medicaid Overpayments to Providers  
**Type of Finding:** Significant Deficiency in Internal Control over Compliance, Other Matters

**Criteria or specific requirement:**

*Compliance:* The 42 CFR 433 Subpart F outlines the requirements State Medicaid Agencies (SMAs) are to follow related to refunding the federal share of Medicaid overpayments made to providers. Pursuant to 1903(d)(2)(C) of the Social Security Act (the Act) (42 USC 1396b), states have up to one (1) year from the date of discovery of the overpayment to recover or attempt to recover the overpayment before the federal share must be refunded to CMS via Form CMS-64 Summary, Line 9C1- Fraud, Waste & Abuse Amounts, regardless of whether recovery is made from the provider.

*Control:* Per 2 CFR section 200.303(a), a non-Federal entity must: Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should comply with guidance in “Standards for Internal Control in the Federal Government” issued by the Comptroller General of the United States or the “Internal Control Integrated Framework”, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

**Condition:**

The Department did not report overpayments collected by the Commonwealth on the CMS-64. Collected overpayments were either reported on the CMS-64 (as required), as an offset to federal revenue, or not reported.

**Context:**

Thirteen of twenty-three overpayment collections selected for testing were not reported on the CMS-64 but were reported as a federal offset.

For one of the twenty-three collections selected for testing, the Department did not provide documentation to support reporting of the collected overpayments.

**Cause:**

The Department did not follow its standard procedures and reporting methods for overpayments.

**COMMONWEALTH OF MASSACHUSETTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2021**

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***Section III – Findings and Questioned Costs – Major Federal Programs (Continued)***

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**Effect:**

The Department is increasing their risk of not reporting overpayments to CMS.

**Questioned costs:**

\$41,380.77, represents sampled overpayments collected by the Department, and no evidence of reporting to CMS (i.e. offset or CMS-64).

**Recommendation:**

We recommend that the Department review its procedures for reporting collected overpayments to CMS, to ensure consistency in reporting of all collected overpayments.

**Views of Responsible Officials:**

Management agrees with the finding.



**COMMONWEALTH OF MASSACHUSETTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2021**

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***Section III – Findings and Questioned Costs – Major Federal Programs (Continued)***

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**Reference Number:** 2021-026  
**Prior Year Finding:** N/A  
**Federal Agency:** U.S. Department of Homeland Security  
**State Agency:** Emergency Management Agency (Agency)  
**Federal Program:** COVID-19 - Disaster Grants – Public Assistance (Presidentially Declared Disasters)  
**Assistance Listing Number:** 97.036  
**Award Number and Year:** FEMA-4496-DR (1/20/2020 and continuing)  
**Compliance Requirement:** Reporting – Federal Funding Accountability and Transparency Act (FFATA)  
**Type of Finding:** Significant Deficiency in Internal Control Over Compliance, Other Matters

**Criteria or specific requirement:**

*Compliance:* Per the Federal Funding Accountability and Transparency Act (FFATA), prime (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). Reports must be filed in FSRS by the end of the month following the month in which the prime recipient awards any sub-grant greater than or equal to \$30,000. If the initial award is below \$30,000 but subsequent grant modifications result in a total award equal to or over \$30,000, the award will be subject to the reporting requirements as of the date the award exceeds \$30,000. If the initial award equals or exceeds \$30,000 but funding is subsequently de-obligated such that the total award amount falls below \$30,000, the award continues to be subject to FFATA reporting requirements.

The following key data elements must be reported: Subawardee Name and Data Universal Numbering System (DUNS) number; Amount of Subaward (inclusive of modifications); Subaward Obligation/Action Date; Date of Report Submission; Subaward Number; Project Description; and Names and Compensation of Highly Compensated Officers. (Names and Compensation of Highly Compensated Officers must only be reported when the entity in the preceding fiscal year received 80 percent or more of its annual gross revenues in Federal awards; and \$30,000,000 or more in annual gross revenues from Federal awards; and the public does not have access to this information about the compensation of the senior executives of the entity through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. §§ 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986.)

*Control:* Per 2 CFR section 200.303(a), a non-Federal entity must: Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should comply with guidance in “Standards for Internal Control in the Federal Government” issued by the Comptroller General of the United States or the “Internal Control Integrated Framework”, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

**COMMONWEALTH OF MASSACHUSETTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2021**

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***Section III – Findings and Questioned Costs – Major Federal Programs (Continued)***

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**Condition:**

A subaward issued by the Agency was not reported to FSRS.

**Context:**

1 of 17 subawards was not reported to FSRS as required.

Transactions Tested	Subaward not reported	Report not timely	Subaward amount incorrect	Subaward missing key elements
17	1	0	0	0
Dollar Amount of Tested Transactions	Subaward not reported	Report not timely	Subaward amount incorrect	Subaward missing key elements
\$4,239,645	\$126,344	\$0	\$0	\$0

**Cause:**

The Agency's procedures were not sufficient to ensure that all subawards were reported to FSRS.

**Effect:**

A subaward was not reported to FSRS in accordance with FFATA requirements.

**Questioned costs:**

Undetermined.

**Recommendation:**

We recommend the Agency review and enhance internal controls and procedures to ensure that all required subawards are reported timely to FSRS no later than the end of the month following the month of issuance.

**Views of Responsible Officials:**

Management agrees with the finding.

**COMMONWEALTH OF MASSACHUSETTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2021**

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***Section III – Findings and Questioned Costs – Major Federal Programs (Continued)***

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**Reference Number:** 2021-027  
**Prior Year Finding:** N/A  
**Federal Agency:** U.S. Department of Homeland Security  
**State Agency:** Emergency Management Agency (Agency)  
**Federal Program:** Disaster Grants – Public Assistance (Presidentially Declared Disasters), COVID-19 - Disaster Grants – Public Assistance (Presidentially Declared Disasters)  
**Assistance Listing Number:** 97.036  
**Award Number and Year:** FEMA-4496-DR (1/20/2020 and continuing)  
**Compliance Requirement:** Allowable Costs / Cost Principles  
**Type of Finding:** Significant Deficiency in Internal Control Over Compliance, Other Matters

**Criteria or specific requirement:**

*Compliance:* 2 CFR section 200.403 states, in part, except where otherwise authorized by statute, costs must meet the following general criteria in order to be allowable under Federal awards:

- (a) Be necessary and reasonable for the performance of the Federal award and be allocable thereto under these principles.
- (b) Conform to any limitations or exclusions set forth in these principles or in the Federal award as to types or amount of cost items.
- (c) Be consistent with policies and procedures that apply uniformly to both federally-financed and other activities of the non-Federal entity.
- (d) Be accorded consistent treatment. A cost may not be assigned to a Federal award as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated to the Federal award as an indirect cost.
- (e) Be determined in accordance with generally accepted accounting principles (GAAP), except, for state and local governments and Indian tribes only, as otherwise provided for in this part.
- (f) Not be included as a cost or used to meet cost sharing or matching requirements of any other federally-financed program in either the current or a prior period.
- (g) Be adequately documented.

*Control:* Per 2 CFR section 200.303(a), a non-Federal entity must: Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should comply with guidance in “Standards for Internal Control in the Federal Government” issued by the Comptroller General of the United States or the “Internal Control Integrated Framework”, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

**Condition:**

The Agency was unable to provide documentation to support the allowability, approval, and proper accounting of expenditures charged to the program.

**COMMONWEALTH OF MASSACHUSETTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2021**

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***Section III – Findings and Questioned Costs – Major Federal Programs (Continued)***

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**Context:**

Sixty invoices were selected for testing and the following exceptions were noted:

- For 4 of 60 invoices, support could not be provided to verify that the invoices had been charged to the correct general ledger codes and that the costs were allowable under the program.
- For 9 of 60 invoices, payment details could not be verified because support did not include the check amount or the check date.
- For 9 of 60 invoices, there was no evidence of approval of the purchase order or invoice.

**Cause:**

The Agency's procedures were not sufficient to ensure that expenditures charged to the program were allowable, approved, and accounted for properly in the Commonwealth's accounting system. Internal controls did not detect or prevent the errors.

**Effect:**

Unallowable costs could be charged to the program.

**Questioned costs:**

Undetermined.

**Recommendation:**

We recommend the Agency review and enhance procedures and controls to ensure that costs are charged the program are allowable, approved, and accounted for properly in the Commonwealth's accounting system.

**Views of Responsible Officials:**

Management agrees with the finding.

**COMMONWEALTH OF MASSACHUSETTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2021**

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***Section III – Findings and Questioned Costs – Major Federal Programs (Continued)***

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**Reference Number:** 2021-028  
**Prior Year Finding:** N/A  
**Federal Agency:** U.S. Department of Homeland Security, Federal Emergency Management Agency (FEMA)  
**State Agency:** Executive Office of Labor and Workforce Development (EOL)  
**Federal Program:** COVID-19 – Presidential Declared Disaster Assistance to Individuals and Households - Other Needs  
**Assistance Listing Number:** 97.050  
**Award Number and Year:** 4496DRMASPLW (8/1/2020 – 3/27/2021)  
**Compliance Requirement:** Reporting  
**Type of Finding:** Material Weakness in Internal Control over Compliance, Material Noncompliance

**Criteria or specific requirement:**

*Compliance – Weekly Reporting Requirement:* States and territories that received a grant award for supplemental lost wages payments were required to provide FEMA with the Lost Wages Benefits Payment Weekly Report that included the total, weekly dollar amount of actual lost wages benefit payments made to eligible claimants, by program, the number of appeals for the underlying benefits received by claimants, and any pending claims. The state/territory used the Lost Wages Weekly Report Template for the weekly submission. The Lost Wages Weekly Report is provided to FEMA and is required until all claims are paid.

*Quarterly Reporting Requirement - SF-425 Federal Financial Report:* States/territories must submit the SF-425 form to FEMA on a quarterly basis throughout the grant award period of performance, including any partial quarters in which the period of performance is open. States/territories must submit the report even if no grant award activity occurs during a given quarter.

*Control:* Per 2 CFR section 200.303(a), a non-Federal entity must: Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should comply with guidance in “Standards for Internal Control in the Federal Government” issued by the Comptroller General of the United States or the “Internal Control Integrated Framework”, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

**Condition:**

The Executive Office of Labor and Workforce Development (EOL) did not submit the Lost Wages Weekly Report nor the SF-425 Federal Financial Report timely as required by program reporting requirements. One quarterly report was not certified.

**Context:**

EOL provided assistance to program participants for benefit weeks ending 8/1/2020 through 9/5/2020 (6 weeks). Weekly reports were due for each benefit week until all benefits were issued and quarterly

**COMMONWEALTH OF MASSACHUSETTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2021**

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***Section III – Findings and Questioned Costs – Major Federal Programs (Continued)***

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reports were due for each quarter until the grant was closed out. Eight weekly reports and two quarterly reports were selected for testing. We noted the following exceptions:

- 3 of 8 Lost Wages Benefit Payments weekly reports were not submitted: The report for the weeks beginning 9/6/2020, 9/20/2020 and 2/14/2021 had not been prepared nor submitted as required.
- 2 of 2 SF-425 quarterly reports were not submitted within 30 days of the end of the report period. The 9/30/2020 quarterly report was due 10/30/2020 but this report was not certified and we were unable to determine when the report was submitted. The 6/30/2021 quarterly report was due 7/30/2021 but it was not submitted until 5/26/2022, which was 300 days after the due date.

**Cause:**

EOL did not establish procedures or controls to ensure that weekly or quarterly reports were filed as per program requirements.

**Effect:**

In the case of any potential or actual noncompliance, including delinquent reports, a demonstrated lack of progress, or an insufficient detail in the reports, FEMA may place special considerations on an award and/or FEMA may place a hold on funds until the matter is corrected or additional information is provided per 2 C.F.R. §§ 200.207 and 200.338.

**Questioned costs:**

Undetermined.

**Recommendation:**

We recommend that policies and procedures be implemented to ensure that all required reports are filed timely and accurately and that reports are reviewed and certified by an authorized official.

**Views of Responsible Officials:**

Management agrees with the finding.

COMMONWEALTH OF MASSACHUSETTS

**Corrective Action Plan**

Year Ended June 30, 2021

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EXECUTIVE OFFICE OF LABOR AND WORKFORCE DEVELOPMENT

2021-001      Accounting and Financial Reporting – Unemployment Insurance Trust Fund

Action taken in response to finding: EOLWD has engaged with a third-party consultant to assist in DUA's business process redesign of its current financial accounting systems which includes the identification and development of formal reconciliation controls over balances and transactions of the Unemployment Compensation Trust Fund (Fund) with the Commonwealth's general ledger, Massachusetts Management Accounting & Reporting System (MMARS), and to develop procedures to ensure the annual Generally Accepted Accounting Principles (GAAP) package submitted to the Office of the State Comptroller (CTR) is reported in accordance with GAAP.

EOLWD is also working with the CTR and the third-party consultant to develop manual processes and automate DUA's financial systems which are designed to generate relevant financial and nonfinancial information including unaudited timely financial statements monthly.

Name of the contact person responsible for corrective action: Migdalia Diaz, Chief Operating Officer

Planned completion date for correction action plan: December 31, 2022

OFFICE OF THE COMPTROLLER

2021-002      Accounting and Financial Reporting – Lotteries Fund

Action taken in response to finding: Beginning in Fiscal Year 2021 the Office of the Comptroller reported the Lottery's long-term prizes payable and related assets (annuity contracts and investments) under governmental activities to comply with GASB Statement No. 84, Fiduciary Activities.

Name of the contact person responsible for corrective action: Pauline Lieu, Chief Financial Reporting Officer

Planned completion date for correction action plan: April 29, 2022

COMMONWEALTH OF MASSACHUSETTS

**Corrective Action Plan**

Year Ended June 30, 2021

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DEPARTMENT OF FAMILY AND MEDICAL LEAVE

2021-003      Accounting and Financial Reporting – Family and Employment Security Trust Fund

Action taken in response to finding: The EOLWD Finance department, DFML and the State Department of Revenue will review the various revenue sources captured by the Department and develop a formal methodology to estimate the allowance for uncollectible account receivables. The methodology will be based upon a look back of its actual collections experience and will be established to accurately estimate the net realizable value of its receivables at year end.

DFML will continue to enhance proper period cut-off procedures to ensure PFML benefits are captured in the proper period and the related accounts payable are reported in accordance with applicable accounting and reporting standards.

Name of the contact person responsible for corrective action: Migdalia Diaz, Chief Operating Officer

Planned completion date for correction action plan: September 31, 2022

EXECUTIVE OFFICE OF HEALTH AND HUMAN SERVICES

2021-004      Drug Rebates Allowance for Uncollectible Accounts Receivable

Action taken in response to finding: EOHHS will document the annual uncollectible drug rebates methodology by the end of August 2022.

Name of the contact person responsible for corrective action: Mohamed Sesay, MassHealth CFO

Planned completion date for correction action plan: August 2022

OFFICE OF THE COMPTROLLER

2021-005      Unearned Revenue.

Action taken in response to finding: The Office of the Comptroller has implemented a process to record unearned revenue in the pandemic-related federal grants fund. Management will review all reimbursements and will determine the extent that revenues have been earned in accordance with GASB Statement No. 33 and will recognize revenues as appropriate (i.e., deferral versus accruing revenue).

Name of the contact person responsible for corrective action: Pauline Lieu, Chief Financial Reporting Officer

Planned completion date for correction action plan: December 2021

2021-006      Financial Close and Reporting

Action taken in response to finding: The Office of the Comptroller is improving its communication with departments to set clear expectations and strong deadlines. We track multiple years of GAAP package submission dates and will reach out to



COMMONWEALTH OF MASSACHUSETTS

**Corrective Action Plan**

Year Ended June 30, 2021

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departments with past late submissions for early escalation of communication to ensure time for adequate review.

Material timing issues fell on two specific departments. The Office of the Comptroller will meet with Executive Office of Labor and Workforce Development (EOLWD) and Executive Office of Health and Human Services (EOHHS) representatives to assess and review the GAAP reporting process. We are updating the special correspondence letters to provide the specific schedules required to be submitted to CTR on the due dates.

Name of the contact person responsible for corrective action: Pauline Lieu, Chief Financial Reporting Officer

Planned completion date for correction action plan: July 2022

EXECUTIVE OFFICE OF LABOR AND WORKFORCE DEVELOPMENT

2021-007      Unemployment Insurance, COVID-19 – Unemployment Insurance - Assistance Listing No. 17.225

Action taken in response to finding: MDUA has policies and procedures in place to ensure appropriate documentation is sent to claimants. Having said that, MDUA accepts this finding because we could not produce the RESEA letter sent to four claimants in a sixty-case sample. Upon investigation we found that an unknown system error occurred when these four claimants were not sent the letter. Reportedly, letters were sent to these claimants but when they completed RESEA program requirements the letter was taken out of the account. MDUA will continue to investigate our UI system to find the root cause of this problem, develop a system fix, re-test to ensure the issue no longer exists, and address any business processes that need to be improved to catch these kinds of errors going forward.

Name of the contact person responsible for corrective action: John Saulnier, Director of Benefit Performance

Planned completion date for correction action plan: December 30, 2022

2021-008      Unemployment Insurance, COVID-19 – Unemployment Insurance - Assistance Listing No. 17.225

Action taken in response to finding: The Massachusetts Department of Unemployment Assistance (MDUA) will review the current process to identify deficiencies. MDUA will then develop and implement policies and procedures to remedy the finding. Lastly, MDUA will test its solution for accuracy.

Name of the contact person responsible for corrective action: Katie Dishnica, Chief of Staff, Department of Unemployment Assistance

Planned completion date for correction action plan: February 28, 2023

2021-009      Unemployment Insurance - Assistance Listing No. 17.225

COMMONWEALTH OF MASSACHUSETTS

**Corrective Action Plan**

Year Ended June 30, 2021

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Action taken in response to finding: EOLWD will enhance internal policies and procedures to ensure that ETA 9130 reports for this program are submitted timely and that supporting documentation for the certified reports is maintained in accordance with federal requirements.

Name of the contact person responsible for corrective action: Kenneth Deon, Acting Chief Financial Officer

Planned completion date for correction action plan: September 30, 2022

2021-010 WIOA Cluster - Assistance Listing No. 17.258, 17.259, 17.278

Action taken in response to finding: EOLWD has policies and procedures in place to support consistency in charging employee absences. EOLWD will improve existing internal control policies and procedures to ensure that payroll costs charged to federal programs are based on records of actual work performed and such records be reviewed and certified by the employee and supervisor prior to allocation of payroll costs to the WIOA Cluster.

In addition, the Department will maintain appropriate documentation to support the SWCAP and DOL indirect cost rates charged to eligible program costs for this Cluster.

Name of the contact person responsible for corrective action: Kenneth Deon, Acting Chief Financial Officer

Planned completion date for correction action plan: September 30, 2022

2021-011 WIOA Cluster - Assistance Listing No. 17.258, 17.259, 17.278

Action taken in response to finding: EOLWD will enhance internal policies and procedures to ensure that ETA 9130 reports are certified in accordance with federal WIOA guidelines and documentation supporting certified reports is maintained internally.

Name of the contact person responsible for corrective action: Aalana Feaster, Director of Insurance

Planned completion date for correction action plan: September 30, 2022

2021-012 WIOA Cluster - Assistance Listing No. 17.258, 17.259, 17.278

Action taken in response to finding: The Department will enhance its internal controls over compliance with federal period of performance requirements, which includes controls to ensure expenditures are recorded during the proper financial period.

Name of the contact person responsible for corrective action: David Manning, Deputy Director, MassHire Department of Career Services

Planned completion date for correction action plan: September 30, 2022

2021-013 WIOA Cluster - Assistance Listing No. 17.258, 17.259, 17.278

Action taken in response to finding: EOLWD will enhance internal control policies and procedures to ensure that the required federal ETA 9130 and Rapid Response reports are

COMMONWEALTH OF MASSACHUSETTS

**Corrective Action Plan**

Year Ended June 30, 2021

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complete and accurate and that such reports be submitted on a timely basis to the UI on-line reporting system in accordance with federal reporting requirements.

Name of the contact person responsible for corrective action: Kenneth Deon, Acting Chief Financial Officer

Planned completion date for correction action plan: September 30, 2022

2021-014 WIOA Cluster - Assistance Listing No. 17.258, 17.259, 17.278

Action taken in response to finding: EOLWD will implement internal controls and procedures to ensure that all future subawards are reported timely to the Federal Funding Accountability and Transparency Act Subaward Reporting System (FSRS) in accordance with federal reporting guidelines and requirements.

Name of the contact person responsible for corrective action: Kenneth Deon, Acting Chief Financial Officer

Planned completion date for correction action plan: September 30, 2022

2021-015 WIOA Cluster - Assistance Listing No. 17.258, 17.259, 17.278

Action taken in response to finding: MDCS has determined the cause of this problem and is working towards a resolution. Once resolved, MDCS, on a quarterly basis, will validate both the wage data provided by the Department of Unemployment Assistance (DUA) as well as the inconsistency found in PIRL data element 1618 during the audit.

Name of the contact person responsible for corrective action: Marilyn Boyle, Director of Business Enabling Technology, MassHire Department of Career Services

Planned completion date for correction action plan: September 30, 2022

2021-016 WIOA Cluster - Assistance Listing No. 17.258, 17.259, 17.278

Action taken in response to finding: MHDCS had previously utilized several other indicators to identify its sub awardees (EIN, assigned number specific to that sub awardee, etc.). However, beginning with fiscal year 2023, MHDCS will revise all related documentation (Notification letters, Initial and Final monitoring reporting) for sub-awardees to include the FAIN identifier as recommended through this finding. Further, MDCS will enhance internal controls processes for scheduling, notification, and reporting of subrecipient monitoring by including an additional senior level signoff to confirm that all related documentation, including audits, has been stored in a designated backup data file beginning with fiscal year 2023.

Name of the contact person responsible for corrective action: Michael Williams, Director of Monitoring and Oversight, MassHire Department of Career Services

Planned completion date for correction action plan: September 30, 2022

COMMONWEALTH OF MASSACHUSETTS

**Corrective Action Plan**

Year Ended June 30, 2021

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EXECUTIVE OFFICE OF HEALTH AND HUMAN SERVICES

2021-017      COVID-19 – Coronavirus Relief Fund – Assistance Listing No. 21.019

Action taken in response to finding: In the case of these four Wynden Stark invoices the invoices were sent directly to the AP email box and in the interest of expediting payment due to the service (temporary medical staffing) AP was instructed to make payments as they came in. This was a temporary measure put in place to ensure the provider did not pull staff to place in other settings which would have compromised the health and safety of the Nursing Facility residents. Expense for the service (this vendor and others) were reviewed regularly with program staff. This is no longer the process and all invoices for this, and other services, are approved by program staff to ensure the Commonwealth has received the services invoiced. Invoices sent directly to the AP email box are forwarded to the appropriate program staff for approval prior to payment.

Name of the contact person responsible for corrective action: Katherine Haney, CFO

Planned completion date for correction action plan: Procedures already in place

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

2021-018      COVID-19 – Emergency Rental Assistance– Assistance Listing No. 21.023

Action taken in response to finding: Effective July 15, 2022, any ERA reporting obligations due on this date or thereafter, the submitter will take a screenshot that evidences the report submission date as part of the documentation maintained by DHCD as opposed to relying on the Treasury's reporting system.

Name of the contact person responsible for corrective action: Henok Teffera, Molly Butman.

Planned completion date for correction action plan: July 15, 2022

EXECUTIVE OFFICE OF EDUCATION

2021-019      COVID-19 – Education Stabilization Fund (Governor's Emergency Education Relief Fund)  
– Assistance Listing No. 84.425C

Action taken in response to finding: EOE will review and update the reporting dates as required and resubmit the report for October 2020.

Name(s) of the contact person(s) responsible for corrective action: Deirdre Richardson and Joanne Puopolo

Planned completion date for correction action plan: September 12, 2022.

COMMONWEALTH OF MASSACHUSETTS

**Corrective Action Plan**

Year Ended June 30, 2021

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DEPARTMENT OF TRANSITIONAL ASSISTANCE

2021-020 Temporary Assistance for Needy Families (TANF)— Assistance Listing No. 93.558

Action taken in response to finding: DTA has corrected the FFY20 ACF-204 report and is working ACF IT to resubmit the FFY20 report through OLDG. Further, management verified no issues in the FFY21 report filed. Lastly, internal controls over TANF-related reporting including ACF-196R, ACF-204, ACF-199 and ACF-209 will be enhanced and documented to prevent and minimize similar errors in the future.

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

ACF-196R: Easton Hill – EOHHS Director of Federal Revenue Reporting / Office of Federal Finance and Revenue (OFFR)

ACF-204: Bryan Klepacki - Director of DTA Budget Unit / Division of Finance

ACF-209: Roubina Panian – DTA Local Office Quality Control Director / Program Integrity

ACF-199: Carlos Rosado – DTA Local Office Quality Control Director / Program Integrity

Planned completion date for correction action plan:

ACF-196R: June 30, 2022 (Draft version), July 31, 2022 (Final version)

ACF-204: June 30, 2022 (Draft version), July 31, 2022 (Final version)

ACF-209: June 30, 2022 (all others), March 31, 2023 (hard edit implementation)

ACF-199: June 30, 2022

DEPARTMENT OF EARLY EDUCATION AND CARE

2021-021 Child Care Development Cluster – Assistance Listing No. 93.575, 93.596

Action taken in response to finding: The Department of Early Education and Care implemented new policies and procedures that detail the FFATA reporting requirements, notification process, control environment including the data sources, and the procedures necessary to ensure the report is submitted to SAM.gov in a timely manner as required. Applicable Accounting, Contracts, and Budget staff will be trained on these policies and procedures.

Name of the contact person responsible for corrective action: Sandy Fortier-Hollow, Senior Associate Commissioner for Financial Management/Interim CFO

Planned completion date for correction action plan: August 31, 2022

2021-022 Child Care Development Cluster – Assistance Listing No. 93.575, 93.596

Action taken in response to finding: The Department of Early Education and Care has updated the FY23 Subsidy Contract Conditions, Section 1, Compliance with the Child Care Development Block Grant (CCDBG), with the required federal agreement language. This federal agreement language includes the listing of the CCDF Federal award numbers and dates.

COMMONWEALTH OF MASSACHUSETTS

**Corrective Action Plan**

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Name of the contact person responsible for corrective action: Sandy Fortier-Hollow,  
Senior Associate Commissioner for Financial Management/Interim CFO

Planned completion date for correction action plan: June 13, 2022

EXECUTIVE OFFICE OF HEALTH AND HUMAN SERVICES

2021-023 Medicaid Cluster – Assistance Listing No. 93.775, 93.777, 93.778

Action taken in response to finding: The audit identified one instance in which a redetermination of a member's eligibility was not completed within the required timeframe due to a failure to timely review the member's response to a request for information (the member was ultimately redetermined as eligible).

In response to the finding and the auditor's recommendation, EHS has implemented a process for tracking timely review of documents received in the MassHealth document management system myWorkspace (MWS). Additionally, if a document is processed outside of a required timeframe, EOHHS will maintain records regarding why the document was processed outside of the required timeframe.

Name of the contact person responsible for corrective action: Rosana Senise, Director,  
Quincy MEC

Planned completion date for correction action plan: Fully implemented

2021-024 Medicaid Cluster – Assistance Listing No. 93.775, 93.777, 93.778

Action taken in response to finding: The audit identified that some revalidation documentation was maintained in a storage location not readily available due to the age of the revalidation materials. EHS has reviewed its documentation storage practices and has confirmed that documentation of revalidations is readily available for all recent revalidations, as well as all future revalidations going-forward.

Name of the contact person responsible for corrective action: Tuyen Vu, Dental Program  
Manager

Planned completion date for correction action plan: Review of documentation storage  
practices fully implemented.

2021-025 Medicaid Cluster – Assistance Listing No. 93.775, 93.777, 93.778

Action taken in response to finding: For two collected overpayments (\$41,480.77) there was a deficiency in EHS' process for accurately identifying the collection of the overpayment, which had occurred outside of the MMIS system. This deficiency has since been corrected and the federal share associated with these overpayments has been returned to CMS.

In response to the audit finding, EOHHS reviewed its processes for identifying and reporting collected overpayments to CMS, including overpayments that have been collected outside of the MMIS system. EOHHS has implemented improved processes to ensure the consistent identification and reporting of all collected overpayments to CMS.

COMMONWEALTH OF MASSACHUSETTS

**Corrective Action Plan**

Year Ended June 30, 2021

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Name of the contact person responsible for corrective action: Janet Chin: Director,  
Federal Revenue Claiming - Title XIX & XXI

Mike Berolini: Director of Revenue Management

Planned completion date for correction action plan: Fully Implemented

MASSACHUSETTS EMERGENCY MANAGEMENT AGENCY

2021-026      COVID-19 - Disaster Grants – Public Assistance (Presidentially Declared Disasters)–  
Assistance Listing No. 97.036

Action taken in response to finding: MEMA was not able to locate documentation that one FFATA report was submitted within 30 days of the end of the previous month. MEMA will re-train on its current policies and procedures for sub-recipient reporting and will increase the number of personnel able to submit to ensure that we have backup submission capabilities.

Name of the contact person responsible for corrective action: David Mahr, Chief  
Administrative Officer

Planned completion date for correction action plan: August 31, 2022

2021-027      COVID-19 - Disaster Grants – Public Assistance (Presidentially Declared Disasters)–  
Assistance Listing No. 97.036

Action taken in response to finding: MEMA was not able to provide all or sufficient back up documentation for certain expenditures due to the unique circumstances (COVID) and the unique payment methods used. These were COVID payments for PPE that were made via wire transfer from other departments within the Commonwealth. MEMA did not have sufficient document collection and management procedures in place at that time for these types of payments. MEMA has developed an electronic, centralized internal document tracking system and folder structure to better capture a broader range of documentation types. MEMA will update its internal control plan to include specific procedures and policies for the use of this documentation system in support of the review of program charges.

Name of the contact person responsible for corrective action: David Mahr, Chief  
Administrative Officer

Planned completion date for correction action plan: December 31, 2022

COMMONWEALTH OF MASSACHUSETTS

**Corrective Action Plan**

Year Ended June 30, 2021

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EXECUTIVE OFFICE OF LABOR AND WORKFORCE DEVELOPMENT

2021-028      COVID-19 – Presidential Declared Disaster Assistance to Individuals and Households -  
Other Needs - Assistance Listing No. 97.050

Action taken in response to finding: EOLWD will enhance internal control policies and procedures to ensure that the required federal SF-425 Federal Financial Report and the Lost Wages Weekly Report are complete and accurate and that such reports be submitted on a timely basis in accordance with federal reporting requirements for this cluster.

Name of the contact person responsible for corrective action: Kenneth Deon, Acting Chief Financial Officer

Planned completion date for correction action plan: September 30, 2022

If the Department of Health and Human Services has questions regarding this plan, please call Peter Scavotto at 617-973-2450.





WILLIAM McNAMARA  
COMPTROLLER

# Commonwealth of Massachusetts

## OFFICE OF THE COMPTROLLER

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### Commonwealth of Massachusetts Summary Schedule of Prior Year Audit Findings FY 2021

The attached summary schedule of prior year findings (Schedule) lists the finding reference, initial finding reference, Assistance Listing Number (ALN), state agency, program and description for the findings included in the fiscal year 2020 Single Audit Report. It also lists the status of any other prior year finding whose corrective action plan has not been fully implemented. The Schedule indicates “fully” if the corrective action plan (CAP) was fully implemented, “partially” if the CAP was not fully implemented and “not implemented” if not implemented at all. If not fully implemented, an updated CAP is included.

Prior year findings that no longer warrant further action in accordance with the Uniform Guidance Section 200.511(b)(3) have been excluded from the Schedule.

Finding Reference	Assistance Listing Number (ALN)	Agency	Program(s)	Description/ Summary	Implementation Status	Corrective Action Plan
2018-009, 2017-026	14.182, 14.856	OCD	Section 8 Project-Based Cluster	During the testwork over the subrecipient monitoring of NC/SR developments, no LHA's and for-profit subrecipient were evaluated for risk of noncompliance in accordance with 200.331(b). Also, the Moderate Rehabilitation monitoring policies do not include the Section 8 requirements.	Partially Resolved	The department created a procedure/protocol that they planned to implement in April of 2020 to address the finding. Due to the pandemic they could not implement the requirement of in person file reviews. The plan is to resume in person monitoring after 6/30/2022 and this protocol will be a part of all subrecipients' reviews.
2020-001		CTR	State	Other Postemployment Benefits Valuation	Fully Resolved	
2020-002, 2019-001, 2018-001		CTR	State	Financial Reporting	Not Resolved	See finding 2021-001
2020-002, 2019-001, 2018-002		EOL	State	Financial Reporting	Not Resolved	See finding 2021-001
2020-003, 2019-002, 2018-003		EOL	State	Allowance for Uncollectible Receivables	Not Resolved	See finding 2021-003
2020-004, 2019-003		GIC	State	Recording of Retired Healthcare Payments	Fully Resolved	
2020-005		CTR	State	Recognition of Nonexchange Transactions	Fully Resolved	
2020-006		EHS	State	Accounting and Financial Reporting for Drug Rebates	Partially Resolved	See finding 2021-004
2020-006		CTR	State	Accounting and Financial Reporting for Drug Rebates	Partially Resolved	See finding 2021-004
2020-007, 2019-012, 2018-022	93.775, 93.777, 93.778	EHS	Medicaid Cluster	The department lacked internal controls for validating key points of provider data. For 4 of 65 (6%) of providers tested had license dates within MMIS that were not updated. 8 of 65 providers (12%) tested had revalidation dates within MMIS that were not within the next 3 to 5 years as required by Federal regulations.	Not Resolved	See finding 2021-024
2020-008, 2019-013, 2018-024	93.775, 93.777, 93.778	EHS	Medicaid Cluster	During the testwork it was noted there are several outsourced activities that do not appear to address the associated risks as the department identified and/or to be adequately documented by the current department's monitoring processes.	Fully Resolved	
2020-009, 2019-014, 2018-025	93.775, 93.777, 93.778	EHS	Medicaid Cluster	The department has established policies and procedures for actively monitoring its nonstate providers in accordance with the utilization standards noted above. However, the department currently does not subject its state-owned providers to the same utilization controls as its nonstate providers.	Fully Resolved	
2020-010	93.775, 93.777, 93.778	EHS	Medicaid Cluster	There was no risk assessment performed during the fiscal and no follow-up on findings identified in the previous years' risk assessments.	Fully Resolved	
2020-011	93.775, 93.777, 93.778	EHS	Medicaid Cluster	During testing of Medicaid eligibility, two of 65 applicates tested (3%) did not have supporting documentation to evidence their eligibility determination. The amount of questioned costs is for MassHealth paid claims during the fiscal year for these two employees of \$45,512.	Not Resolved	See finding 2021-023
2020-012	93.775, 93.777, 93.778	EHS	Medicaid Cluster	During testing of Medicaid claims, one of the 65 fee-for-service claims was paid at a rate lower than the approved rate. The rate applicable for the service was revised but not updated timely in the Medicaid Management Information System (MMIS).	Fully Resolved	

Finding Reference	Assistance Listing Number (ALN)	Agency	Program(s)	Description/ Summary	Implementation Status	Corrective Action Plan
2018-009, 2017-026	14.182, 14.856	OCD	Section 8 Project-Based Cluster	During the testwork over the subrecipient monitoring of NC/SR developments, no LHA's and for-profit subrecipient were evaluated for risk of noncompliance in accordance with 200.331(b). Also, the Moderate Rehabilitation monitoring policies do not include the Section 8 requirements.	Partially Resolved	The department created a procedure/protocol that they planned to implement in April of 2020 to address the finding. Due to the pandemic they could not implement the requirement of in person file reviews. The plan is to resume in person monitoring after 6/30/2022 and this protocol will be a part of all subrecipients' reviews.
2020-013	20.600, 20.616	EPS	Highway Safety Cluster	During testing of the internal control that provides for a formal, independent review of an expenditure reconciliation and tracking workpaper, EPS was unable to provide documentation that internal control was performed regularly.	Fully Resolved	
2020-014, 2019-006	17.207, 17.801 17.258, 17.259, 17.260	EOL	Employment Service Cluster WIOA Cluster	The department did not maintain documentation supporting the indirect cost rate proposal that is the basis for the indirect cost rate applied.	Partially Resolved	See finding 2021-010
2020-015, 2019-007	17.207, 17.801	EOL	Employment Service Cluster	During the testwork, the audit found 3 of 40 (8%) items selected from two quarters of PIRL submissions were not supported by UI Online records for Data Element 1618. Department management's internal controls were not implemented at a level of precision to ensure PIRL submissions are accurately supported by UI Online records.	Partially Resolved	See finding 2021-015
2020-016, 2019-005, 2018-011	17.207, 17.801 17.258, 17.259, 17.260	EOL	Employment Service Cluster WIOA Cluster	The department did not have or implement policies and procedures to ensure direct payroll costs charged to Federal grants are based on actual time and effort of employees. It should also ensure that all documentation supporting federal charged is maintained.	Partially Resolved	See finding 2021-010