

COMMONWEALTH OF MASSACHUSETTS

**UNIFORM GUIDANCE
SINGLE AUDIT REPORT**

YEAR ENDED JUNE 30, 2023



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**COMMONWEALTH OF MASSACHUSETTS
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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 (Commonwealth), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Commonwealth's basic financial statements and have issued our report thereon dated May 28, 2024. Our report contains emphasis of matter paragraphs for corrections of errors, and other auditors' reports on the financial statements of the Massachusetts Department of Transportation, the Massachusetts Life Sciences Center, and the Massachusetts Development Finance Agency. 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	5.73%	8.99%
Business-Type Activities	University of Massachusetts; State Universities; Community Colleges (Excluding Berkshire Community College)	69.24%	60.68%
Lotteries Fund	Lotteries Fund	8.18%	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%
Aggregate Remaining Fund Information	External Investment Trust Funds; Community Colleges (Excluding Berkshire Community College)	27.91%	52.41%

Opinion Unit	Entity	Percent of Opinion Unit's Total	
		Assets	Revenues / Additions
Aggregate Discretely Presented Component Units	Massachusetts Department of Transportation; Massachusetts Bay Transportation Authority; Commonwealth Health Insurance Connector; Massachusetts Convention Center Authority; Massachusetts Development Finance Agency; Massachusetts Technology Park Corporation; Massachusetts Housing Partnership; Economic Development Entities; Higher Education Foundations (Excluding Berkshire Community College Foundation)	88.44%	92.83%

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, Commonwealth Corporation, 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.

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. 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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2023-001 and 2023-002 that we consider to be material weaknesses.

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

Government Auditing Standards requires the auditor to perform limited procedures on the Commonwealth's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The Commonwealth's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control 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.

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CliftonLarsonAllen LLP

Boston, Massachusetts
May 28, 2024



**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

Qualified and Unmodified Opinions

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, 2023. 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, 2023. 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.

Summary of Opinions

Major Federal Program/Cluster	Type of Opinion
Child and Adult Care Food Program	Qualified
Employment Service Cluster	Qualified
WIOA Cluster	Qualified
Emergency Rental Assistance	Qualified
Aging Cluster	Qualified
Immunization Cooperative Agreements	Qualified
Low-Income Home Energy Assistance	Qualified
Medicaid Cluster	Qualified
Opioid STR	Qualified

Major Federal Program/Cluster	Type of Opinion
WIC Special Supplemental Nutrition Program for Women, Infants, and Children	Unmodified
National Guard Military Operations and Maintenance (O&M) Projects	Unmodified
Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	Unmodified
Unemployment Insurance	Unmodified
Home Investment Partnerships Program	Unmodified
Highway Planning and Construction	Unmodified
Homeowner Assistance Fund	Unmodified
Coronavirus State and Local Fiscal Recovery Funds	Unmodified
Title I Grants to Local Educational Agencies	Unmodified
Education Stabilization Fund	Unmodified
Special Education Cluster	Unmodified
Refugee and Entrant Assistance State/Replacement Designee Administered Programs	Unmodified
Block Grants for Prevention and Treatment of Substance Abuse	Unmodified
Disability Insurance/SSI Cluster	Unmodified

Qualified Opinions on the Nine Major Federal Programs Identified in the Preceding Table

In our opinion, except for the noncompliance described in the Basis for Qualified and Unmodified Opinions section of our report, the Commonwealth complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the identified major programs for the year ended June 30, 2023.

Unmodified Opinion on Each of the Other Major Federal Programs Identified in the Preceding Table

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, 2023.

Basis for Qualified and Unmodified Opinions

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

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

Matters Giving Rise to Qualified Opinion on the Nine Major Federal Programs Identified in the Following Table

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

Program	Assistance Listing	Noncompliance	Finding Number
Child and Adult Care Food Program	10.558	Eligibility and Subrecipient Monitoring	2023-005
Employment Service Cluster	17.207, 17.801	Reporting - FFATA	2023-007
WIOA Cluster	17.258, 17.259, 17.278	Reporting - FFATA	2023-013
Emergency Rental Assistance	21.023	Subrecipient Monitoring	2023-015
Aging Cluster	93.044, 93.045, 93.053	Reporting - FFATA	2023-020
Immunization Cooperative Agreements	93.268	Reporting - FFATA	2023-023
Low-Income Home Energy Assistance	93.568	Reporting - FFATA	2023-026
Low-Income Home Energy Assistance	93.568	Reporting	2023-027
Medicaid Cluster	93.775, 93.777, 93.778	Special Tests and Provisions - ADP Risk Analysis and System Security Review	2023-030
Opioid STR	93.788	Reporting - FFATA	2023-033

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Commonwealth's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists.

The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Commonwealth's compliance with the requirements of each major federal program as a whole.

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Commonwealth's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the Commonwealth's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Commonwealth's internal control over compliance. Accordingly, no such opinion is expressed.

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

Other Matters

The results of our auditing procedures disclosed other instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2023-003, 2023-004, 2023-006, 2023-009, 2023-010, 2023-011, 2023-012, 2023-014, 2023-016, 2023-017, 2023-018, 2023-019, 2023-021, 2023-022, 2023-024, 2023-025, 2023-028, 2023-029, 2023-031, 2023-032, 2023-034, 2023-035, 2023-036 and 2023-037. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on the Commonwealth's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The Commonwealth's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2023-005, 2023-007, 2023-008, 2023-013, 2023-015, 2023-020, 2023-023, 2023-026, 2023-027, 2023-030 and 2023-033 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 2023-003, 2023-004, 2023-006, 2023-009, 2023-010, 2023-011, 2023-012, 2023-014, 2023-016, 2023-017, 2023-018, 2023-019, 2023-021, 2023-022, 2023-024, 2023-025, 2023-028, 2023-029, 2023-031, 2023-032, 2023-034, 2023-035, 2023-036 and 2023-037 to be significant deficiencies.

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

Government Auditing Standards requires the auditor to perform limited procedures on the Commonwealth's response to internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. the Commonwealth's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

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, 2023, and the related notes to the financial statements, which collectively comprise the Commonwealth's basic financial statements.

Mr. William McNamara, Comptroller
Commonwealth of Massachusetts

We issued our report thereon dated May 28, 2024, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements as a whole.

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 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements as a whole.

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CliftonLarsonAllen LLP

Boston, Massachusetts
June 28, 2024

**COMMONWEALTH OF MASSACHUSETTS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2023**

Assistance Listing	Program/Cluster Name	Passed Through to Subrecipients	Federal Expenditures
U.S. Department of Agriculture:			
10.025	Plant and Animal Disease, Pest Control, and Animal Care	\$ -	\$ 3,204,795
10.170	Specialty Crop Block Grant Program - Farm Bill	541,063	622,795
10.171	Organic Certification Cost Share Programs	12,350	12,350
10.181	Agricultural Worker Pandemic Relief and Protection Program	1,091,614	1,104,721
10.182	Food Bank Network	3,206,881	3,257,106
10.185	Local Food for Schools Cooperative Agreement Program	32,573	32,573
10.525	Farm and Ranch Stress Assistance Network Competitive Grants Program	-	390,482
10.536	CACFP Training Grants	-	50
10.541	Child Nutrition-Technology Innovation Grant	-	624,092
10.542	COVID-19 - Pandemic EBT Food Benefits	-	281,170,593
10.545	Farmers' Market Supplemental Nutrition Assistance Program Support Grants	61,142	61,142
10.557	WIC Special Supplemental Nutrition Program for Women, Infants, and Children	97,412,352	107,828,968
10.558	Child and Adult Care Food Program	62,530,497	63,378,782
10.558	COVID-19 - Child and Adult Care Food Program	-	8,358
	Total Child and Adult Care Food Program	62,530,497	63,387,140
10.560	State Administrative Expenses for Child Nutrition	-	5,928,751
10.572	WIC Farmers' Market Nutrition Program (FMNP)	-	565,912
10.576	Senior Farmers Market Nutrition Program	-	569,387
10.576	COVID-19 - Senior Farmers Market Nutrition Program	-	10,415
	Total Senior Farmers Market Nutrition Program	-	579,802
10.578	WIC Grants To States (WGS)	-	309,474
10.579	Child Nutrition Discretionary Grants Limited Availability	440,297	474,364
10.579	COVID-19 - Child Nutrition Discretionary Grants Limited Availability	500,257	500,257
	Total Child Nutrition Discretionary Grants Limited Availability	940,554	974,621
10.649	COVID-19 - Pandemic EBT Administrative Costs	-	4,778,846
10.664	Cooperative Forestry Assistance	361,417	1,199,907
10.676	Forest Legacy Program	205,616	219,620
10.680	Forest Health Protection	-	43,356
10.698	State & Private Forestry Cooperative Fire Assistance	91,149	91,149
10.703	Cooperative Fire Protection Agreement	-	15,314
10.868	Rural Energy for America Program	2,461	2,461
10.931	Agricultural Conservation Easement Program	841,846	1,642,743
SNAP Cluster:			
10.551	Supplemental Nutrition Assistance Program	-	3,581,398,174
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	3,921,371	77,795,003
10.561	COVID-19 - State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	-	9,978,140
	Total State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	3,921,371	87,773,143
	Total SNAP Cluster	3,921,371	3,669,171,317
Child Nutrition Cluster:			
10.555	National School Lunch Program	387,239,831	387,239,831
10.555	COVID-19 - National School Lunch Program	25,557,882	25,557,882
	Total National School Lunch Program	412,797,713	412,797,713
10.559	Summer Food Service Program for Children	11,460,351	11,614,793
10.582	Fresh Fruit and Vegetable Program	4,715,879	4,872,960
	Total Child Nutrition Cluster	428,973,943	429,285,466

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**COMMONWEALTH OF MASSACHUSETTS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

Assistance Listing	Program/Cluster Name	Passed Through to Subrecipients	Federal Expenditures
<i>U.S. Department of Agriculture (continued):</i>			
Food Distribution Cluster:			
10.565	Commodity Supplemental Food Program	\$ 290,161	\$ 306,981
10.568	Emergency Food Assistance Program (Administrative Costs)	3,077,792	3,234,668
10.568	COVID-19 - Emergency Food Assistance Program (Administrative Costs)	1,422,850	1,422,850
	Total Emergency Food Assistance Program (Administrative Costs)	4,500,642	4,657,518
	Total Food Distribution Cluster	4,790,803	4,964,499
	Total U.S. Department of Agriculture	605,017,632	4,581,470,045
<i>U.S. Department of Commerce:</i>			
11.032	State Digital Equity Planning Grants	94,634	94,634
11.035	Broadband Equity, Access, and Deployment Program	64,404	64,404
11.407	Interjurisdictional Fisheries Act of 1986	-	211,306
11.417	Sea Grant Support	42,144	69,059
11.419	Coastal Zone Management Administration Awards	5,244	3,049,577
11.420	Coastal Zone Management Estuarine Research Reserves	51,158	635,767
11.454	Unallied Management Projects	-	875,384
11.463	Habitat Conservation	25,809	54,350
11.472	Unallied Science Program	865,923	874,753
11.473	Office for Coastal Management	-	85,499
11.474	Atlantic Coastal Fisheries Cooperative Management Act	-	226,779
Economic Development Cluster:			
11.307	COVID-19 - Economic Adjustment Assistance	1,458,541	6,155,080
	Total Economic Development Cluster	1,458,541	6,155,080
	Total U.S. Department of Commerce	2,607,857	12,396,592
<i>U.S. Department of Defense:</i>			
12.113	State Memorandum of Agreement Program for the Reimbursement of Technical Services	-	1,035,226
12.400	Military Construction, National Guard	-	1,438,237
12.401	National Guard Military Operations and Maintenance (O&M) Projects	539,800	49,989,412
	Total U.S. Department of Defense	539,800	52,462,875
<i>U.S. Department of Housing and Urban Development:</i>			
14.181	Supportive Housing for Persons with Disabilities	3,522,534	3,522,534
14.228	Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	25,602,596	26,553,901
14.228	COVID-19 - Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	18,239,019	18,714,535
	Total Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	43,841,615	45,268,436
14.231	Emergency Solutions Grant Program	5,136,974	5,318,581
14.231	COVID-19 - Emergency Solutions Grant Program	11,719,714	11,843,770
	Total Emergency Solutions Grant Program	16,856,688	17,162,351
14.239	Home Investment Partnerships Program	-	275,340,196
14.241	Housing Opportunities for Persons with AIDS	204,655	204,655
14.267	Continuum of Care Program	15,788,219	17,879,081
14.275	Housing Trust Fund	2,349,656	2,605,230
14.276	Youth Homelessness Demonstration Program	402,360	436,012

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**COMMONWEALTH OF MASSACHUSETTS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

Assistance Listing	Program/Cluster Name	Passed Through to Subrecipients	Federal Expenditures
U.S. Department of Housing and Urban Development (continued):			
	Project Rental Assistance Demonstration (PRA Demo) Program of Section 811 Supportive		
14.326	Housing for Persons with Disabilities	\$ 1,785,843	\$ 1,816,221
14.401	Fair Housing Assistance Program State and Local	-	924,774
14.880	Family Unification Program (FUP)	2,916,421	2,916,421
14.881	Moving to Work Demonstration Program	367,914,940	372,033,908
14.881	COVID-19 - Moving to Work Demonstration Program	11,280,496	11,398,438
	Total Moving to Work Demonstration Program	379,195,436	383,432,346
14.896	Family Self-Sufficiency Program	863,160	863,160
14.906	Healthy Homes Technical Studies Grants	139,191	163,178
Section 8 Project-Based Cluster:			
14.182	Section 8 New Construction and Substantial Rehabilitation	1,648,239	2,942,134
14.856	Lower Income Housing Assistance Program Section 8 Moderate Rehabilitation	7,863,534	7,995,811
	Total Section 8 Project-Based Cluster	9,511,773	10,937,945
Housing Voucher Cluster:			
14.871	Section 8 Housing Choice Vouchers	8,384,657	8,384,657
	Total Housing Voucher Cluster	8,384,657	8,384,657
	Total U.S. Department of Housing and Urban Development	485,762,208	771,857,197
U.S. Department of the Interior:			
15.608	Fish and Wildlife Management Assistance	-	62,574
15.615	Cooperative Endangered Species Conservation Fund	-	32,332
15.616	Clean Vessel Act	613,787	888,736
15.634	State Wildlife Grants	-	1,099,213
15.677	Hurricane Sandy Disaster Relief Activities-FWS	-	24,284
15.684	White-nose Syndrome National Response Implementation	-	509
15.904	Historic Preservation Fund Grants-In-Aid	177,218	805,782
15.916	Outdoor Recreation Acquisition, Development and Planning	3,230,070	3,727,570
15.957	Emergency Supplemental Historic Preservation Fund	-	228
15.980	National Ground-Water Monitoring Network	9,331	67,342
Fish and Wildlife Cluster:			
15.605	Sport Fish Restoration	-	2,035,696
15.611	Wildlife Restoration and Basic Hunter Education	-	7,529,277
	Total Fish and Wildlife Cluster	-	9,564,973
	Total U.S. Department of the Interior	4,030,406	16,273,543
U.S. Department of Justice:			
16.017	Sexual Assault Services Formula Program	448,559	450,366
16.021	Justice Systems Response to Families	39,431	39,916
16.034	COVID-19 - Coronavirus Emergency Supplemental Funding Program	29,375	1,080,268
16.123	Community-Based Violence Prevention Program	-	99,947
16.320	Services for Trafficking Victims	188,998	1,126,769
16.540	Juvenile Justice and Delinquency Prevention	93,672	161,908
16.543	Missing Children's Assistance	1,292	471,197
16.550	State Justice Statistics Program for Statistical Analysis Centers	-	95,003
16.554	National Criminal History Improvement Program (NCHIP)	-	440,621
16.575	Crime Victim Assistance	22,471,139	28,291,001
16.576	Crime Victim Compensation	-	352,679
16.582	Crime Victim Assistance/Discretionary Grants	5,249	28,542

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**COMMONWEALTH OF MASSACHUSETTS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

Assistance Listing	Program/Cluster Name	Passed Through to Subrecipients	Federal Expenditures
<i>U.S. Department of Justice (continued):</i>			
16.585	Treatment Court Discretionary Grant Program	\$ 352,075	\$ 662,209
16.588	Violence Against Women Formula Grants	1,708,774	2,919,032
16.593	Residential Substance Abuse Treatment for State Prisoners	113,750	229,148
16.606	State Criminal Alien Assistance Program	-	3,665,349
16.609	Project Safe Neighborhoods	128,191	142,115
16.710	Public Safety Partnership and Community Policing Grants	-	4,058,836
16.735	PREA Program: Strategic Support for PREA Implementation	-	374
16.738	Edward Byrne Memorial Justice Assistance Grant Program	424,324	2,216,729
16.741	DNA Backlog Reduction Program	-	1,382,884
16.742	Paul Coverdell Forensic Sciences Improvement Grant Program	21,372	334,550
16.745	Criminal and Juvenile Justice and Mental Health Collaboration Program	154,258	157,243
16.746	Capital Case Litigation Initiative	112,976	234,792
16.750	Support for Adam Walsh Act Implementation Grant Program	-	301,130
16.751	Edward Byrne Memorial Competitive Grant Program	17,762	130,336
16.753	Congressionally Recommended Awards	375,368	375,368
16.754	Harold Rogers Prescription Drug Monitoring Program	-	1,125,825
16.812	Second Chance Act Reentry Initiative	245,385	283,045
16.816	John R. Justice Prosecutors and Defenders Incentive Act	70,000	70,000
16.820	Postconviction Testing of DNA Evidence	39,030	126,976
16.825	Smart Prosecution Initiative	-	159,209
16.827	Justice Reinvestment Initiative	247,921	373,203
16.831	Children of Incarcerated Parents	40,151	980,647
16.833	National Sexual Assault Kit Initiative	-	1,032,692
16.835	Body Worn Camera Policy and Implementation	-	639,150
16.836	Indigent Defense	-	101,182
16.838	Comprehensive Opioid, Stimulant, and other Substances Use Program	1,621,771	3,377,606
16.839	STOP School Violence	109,604	197,125
16.922	Equitable Sharing Program	-	2,264,361
Total U.S. Department of Justice		29,060,427	60,179,333
<i>U.S. Department of Labor:</i>			
17.002	Labor Force Statistics	-	2,061,328
17.005	Compensation and Working Conditions	-	106,868
17.225	Unemployment Insurance	2,633,106	1,823,872,260
17.225	COVID-19 - Unemployment Insurance	-	24,936,186
Total Unemployment Insurance		2,633,106	1,848,808,446
17.235	Senior Community Service Employment Program	1,583,223	1,823,031
17.235	COVID-19 - Senior Community Service Employment Program	396,507	481,614
Total Senior Community Service Employment Program		1,979,730	2,304,645
17.245	Trade Adjustment Assistance	857,332	3,463,424
17.270	Reentry Employment Opportunities	-	33,914
17.271	Work Opportunity Tax Credit Program (WOTC)	-	389,679
17.273	Temporary Labor Certification for Foreign Workers	11,221	615,311
17.277	WIOA National Dislocated Worker Grants / WIA National Emergency Grants	856,264	3,030,173
17.277	COVID-19 - WIOA National Dislocated Worker Grants / WIA National Emergency Grants	672,710	725,710
Total WIOA National Dislocated Worker Grants / WIA National Emergency Grants		1,528,974	3,755,883
17.285	Apprenticeship USA Grants	1,919,300	2,854,676
17.503	Occupational Safety and Health State Program	-	894,793
17.504	Consultation Agreements	-	1,383,496
17.600	Mine Health and Safety Grants	-	105,356

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**COMMONWEALTH OF MASSACHUSETTS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

Assistance Listing	Program/Cluster Name	Passed Through to Subrecipients	Federal Expenditures
U.S. Department of Labor (continued):			
Employment Services Cluster:			
17.207	Employment Service/Wagner-Peyser Funded Activities	\$ 5,246,808	\$ 13,387,673
17.801	Jobs for Veterans State Grants	199,721	2,581,959
	Total Employment Services Cluster	5,446,529	15,969,632
WIOA Cluster:			
17.258	WIOA Adult Program	11,755,936	12,783,747
17.259	WIOA Youth Activities	13,348,716	16,695,289
17.278	WIOA Dislocated Worker Formula Grants	12,421,975	19,355,578
	Total WIOA Cluster	37,526,627	48,834,614
	Total U.S. Department of Labor	51,902,819	1,931,582,065
U.S. Department of Transportation:			
20.205	Highway Planning and Construction	722,994	728,526,939
20.219	Recreational Trails Program	1,368,379	1,554,690
20.224	Federal Lands Access Program	-	45,819
20.232	Commercial Driver's License Program Implementation Grant	-	28,699
20.505	Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research	-	183,565
20.509	Formula Grants for Rural Areas and Tribal Transit Program	2,695,373	3,132,153
20.509	COVID-19 - Formula Grants for Rural Areas and Tribal Transit Program	4,751,672	4,855,466
	Total Formula Grants for Rural Areas and Tribal Transit Program	7,447,045	7,987,619
20.528	Rail Fixed Guideway Public Transportation System State Safety Oversight Formula Grant Program	-	1,424,432
20.614	National Highway Traffic Safety Administration (NHTSA) Discretionary Safety Grants and Cooperative Agreements	-	104,078
20.700	Pipeline Safety Program State Base Grant	-	2,011,997
20.703	Interagency Hazardous Materials Public Sector Training and Planning Grants	279,689	418,191
20.933	National Infrastructure Investments	4,626,624	4,626,624
Federal Motor Carrier Safety Assistance Cluster:			
20.218	Motor Carrier Safety Assistance	139,576	3,339,337
20.237	Motor Carrier Safety Assistance High Priority Activities Grants and Cooperative Agreements	-	319,975
	Total Federal Motor Carrier Safety Assistance Cluster	139,576	3,659,312
Federal Transit Cluster:			
20.526	Buses and Bus Facilities Formula, Competitive, and Low or No Emissions Programs	5,985,754	5,985,754
	Total Federal Transit Cluster	5,985,754	5,985,754
Transit Services Programs Cluster:			
20.513	Enhanced Mobility of Seniors and Individuals with Disabilities	1,291,678	5,104,416
20.513	COVID-19 - Enhanced Mobility of Seniors and Individuals with Disabilities	224,320	224,320
	Total Enhanced Mobility of Seniors and Individuals with Disabilities	1,515,998	5,328,736
20.521	New Freedom Program	9,514	9,514
	Total Transit Services Programs Cluster	1,525,512	5,338,250
Highway Safety Cluster:			
20.600	State and Community Highway Safety	2,289,669	4,960,898
20.616	National Priority Safety Programs	449,518	3,313,162
	Total Highway Safety Cluster	2,739,187	8,274,060
	Total U.S. Department of Transportation	24,834,760	770,170,029

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**COMMONWEALTH OF MASSACHUSETTS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

Assistance Listing	Program/Cluster Name	Passed Through to Subrecipients	Federal Expenditures
<i>U.S. Department of the Treasury:</i>			
21.016	Equitable Sharing	\$ -	\$ 653,142
21.019	COVID-19 - Coronavirus Relief Fund	154,047	154,047
21.023	COVID-19 - Emergency Rental Assistance Program	47,600,991	54,387,120
21.026	COVID-19 - Homeowner Assistance Fund	97,825,753	99,737,707
21.027	COVID-19 - Coronavirus State And Local Fiscal Recovery Funds	-	1,246,667,644
<i>Total U.S. Department of the Treasury</i>		145,580,791	1,401,599,660
<i>National Endowment for the Arts:</i>			
45.025	Promotion of the Arts Partnership Agreements	1,062,624	1,062,624
45.310	Grants to States	546,735	3,761,634
45.310	COVID-19 - Grants to States	219,351	515,642
<i>Total Grants to States</i>		766,086	4,277,276
<i>Total National Endowment for the Arts</i>		1,828,710	5,339,900
<i>National Science Foundation:</i>			
47.076	STEM Education (formerly Education and Human Resources)	535,185	571,878
<i>Total National Science Foundation</i>		535,185	571,878
<i>Small Business Administration:</i>			
59.061	State Trade Expansion	317,404	370,336
<i>Total Small Business Administration</i>		317,404	370,336
<i>U.S. Department of Veterans Affairs:</i>			
64.005	Grants to States for Construction of State Home Facilities	-	31,914,241
64.014	Veterans State Domiciliary Care	-	2,019,822
64.015	Veterans State Nursing Home Care	-	11,545,989
64.015	COVID-19 - Veterans State Nursing Home Care	-	1,209,064
<i>Total Veterans State Nursing Home Care</i>		-	12,755,053
<i>Total U.S. Department of Veterans Affairs</i>		-	46,689,116
<i>U.S. Environmental Protection Agency:</i>			
66.032	State Indoor Radon Grants	-	252,327
	Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities		
66.034	Relating to the Clean Air Act	-	843,708
66.040	Diesel Emissions Reduction Act (DERA) State Grants	522,238	537,809
66.204	Multipurpose Grants to States and Tribes	-	68,498
66.312	COVID-19 - Environmental Justice Government-to-Government (EJG2G) Program	36,639	56,842
66.437	Long Island Sound Program	341,000	364,419
	Water Infrastructure Improvements for the Nation Small and Underserved Communities Emerging		
66.442	Contaminants Grant Program	289,602	289,602
66.444	Voluntary School and Child Care Lead Testing and Reduction Grant Program (SDWA 1464(d))	-	636,490
66.454	Water Quality Management Planning	118,067	456,215
66.456	National Estuary Program	383,327	1,141,272
66.461	Regional Wetland Program Development Grants	-	7,334
66.472	Beach Monitoring and Notification Program Implementation Grants	-	214,572
66.605	Performance Partnership Grants	1,105,931	14,782,016
66.608	Environmental Information Exchange Network Grant Program and Related Assistance	-	230,719

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**COMMONWEALTH OF MASSACHUSETTS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

Assistance Listing	Program/Cluster Name	Passed Through to Subrecipients	Federal Expenditures
U.S. Environmental Protection Agency (continued):			
66.700	Consolidated Pesticide Enforcement Cooperative Agreements	\$ -	\$ 476,340
66.701	Toxic Substances Compliance Monitoring Cooperative Agreements	-	157,241
66.707	TSCA Title IV State Lead Grants Certification of Lead-Based Paint Professionals	-	26,372
66.802	Superfund State, Political Subdivision, and Indian Tribe Site-Specific Cooperative Agreements	-	809,158
66.804	Underground Storage Tank (UST) Prevention, Detection, and Compliance Program	-	435,520
66.805	Leaking Underground Storage Tank Trust Fund Corrective Action Program	-	550,889
Total U.S. Environmental Protection Agency		2,796,804	22,337,343
U.S. Department of Energy:			
81.041	State Energy Program	-	867,030
81.042	Weatherization Assistance for Low-Income Persons	5,624,783	6,559,776
81.086	Conservation Research and Development	-	36,989
81.138	State Heating Oil and Propane Program	-	22,290
Total U.S. Department of Energy		5,624,783	7,486,085
U.S. Department of Education:			
84.002	Adult Education - Basic Grants to States	6,847,804	9,028,588
84.010	Title I Grants to Local Educational Agencies	243,813,756	257,860,713
84.011	Migrant Education State Grant Program	-	1,070,378
84.013	Title I State Agency Program for Neglected and Delinquent Children and Youth	243,694	470,524
84.048	Career and Technical Education -- Basic Grants to States	19,521,461	21,611,293
84.126	Rehabilitation Services Vocational Rehabilitation Grants to States	690,571	49,147,335
84.144	Migrant Education Coordination Program	-	57,114
84.161	Rehabilitation Services Client Assistance Program	-	229,215
84.177	Rehabilitation Services Independent Living Services for Older Individuals Who are Blind	-	597,252
84.181	Special Education-Grants for Infants and Families	2,126,886	8,060,213
84.181	COVID-19 - Special Education-Grants for Infants and Families	72,546	78,269
Total Special Education-Grants for Infants and Families		2,199,432	8,138,482
84.184	School Safety National Activities	-	698,270
84.187	Supported Employment Services for Individuals with the Most Significant Disabilities	-	317,146
84.196	Education for Homeless Children and Youth	1,199,372	1,619,563
84.282	Charter Schools	631,166	759,033
84.287	Twenty-First Century Community Learning Centers	18,932,198	20,418,407
84.305	Education Research, Development and Dissemination	-	493,050
84.334	Gaining Early Awareness and Readiness for Undergraduate Programs	2,087,580	3,566,357
84.358	Rural Education	7,701	7,701
84.365	English Language Acquisition State Grants	15,773,694	16,970,197
84.367	Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	28,390,611	31,389,360
84.368	Competitive Grants for State Assessments	-	1,088,644
84.369	Grants for State Assessments and Related Activities	-	6,876,744
84.371	Comprehensive Literacy Development	3,290,372	3,427,847
84.372	Statewide Longitudinal Data Systems	-	414,215
84.421	Disability Innovation Fund (DIF)	-	2,616,929
84.424	Student Support and Academic Enrichment Program	18,133,340	21,045,023
Education Stabilization Fund:			
84.425C	COVID-19 - Governor's Emergency Education Relief (GEER I and II) Fund	3,648,675	13,535,189
84.425D	COVID-19 - Elementary and Secondary School Emergency Relief (ESSER I and II) Fund	289,110,020	310,168,130
84.425R	COVID-19 - Coronavirus Response and Relief Supplemental Appropriations Act, 2021-- Emergency Assistance for Non-Public Schools (CRRSA EANS)	-	6,574,692
84.425U	COVID-19 - American Rescue Plan--Elementary and Secondary School Emergency Relief (ARP ESSER)	307,445,301	310,649,753

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**COMMONWEALTH OF MASSACHUSETTS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

Assistance Listing	Program/Cluster Name	Passed Through to Subrecipients	Federal Expenditures
U.S. Department of Education (continued):			
Education Stabilization Fund (continued):			
84.425V	COVID-19 - American Rescue Plan -Emergency Assistance to Non-Public Schools (ARP EANS) program	\$ -	\$ 3,286,077
84.425W	COVID-19 - American Rescue Plan – Elementary and Secondary School Emergency Relief – Homeless Children and Youth	1,777,049	1,841,898
	Total Education Stabilization Fund	601,981,045	646,055,739
Special Education Cluster (IDEA):			
84.027	Special Education Grants to States	280,322,749	312,134,152
84.027	COVID-19 - Special Education Grants to States	19,117,521	19,117,521
	Total Special Education Grants to States	299,440,270	331,251,673
84.173	Special Education Preschool Grants	7,430,003	9,454,246
84.173	COVID-19 - Special Education Preschool Grants	1,532,057	1,532,057
	Total Special Education Preschool Grants	8,962,060	10,986,303
	Total Special Education Cluster (IDEA)	308,402,330	342,237,976
	Total U.S. Department of Education	1,272,146,127	1,448,213,095
National Archives and Records Administration:			
89.003	National Historical Publications and Records Grants	2,500	45,224
	Total National Archives and Records Administration	2,500	45,224
U.S. Election Assistance Commission:			
90.401	Help America Vote Act Requirements Payments	-	3,991,636
90.404	2018 HAVA Election Security Grants	-	2,543,741
	Total U.S. Election Assistance Commission	-	6,535,377
U.S. Department of Health and Human Services:			
93.041	Special Programs for the Aging, Title VII, Chapter 3, Programs for Prevention of Elder Abuse, Neglect, and Exploitation	-	13,031
93.042	Special Programs for the Aging, Title VII, Chapter 2, Long Term Care Ombudsman Services for Older Individuals	633,933	634,801
93.042	COVID-19 - Special Programs for the Aging, Title VII, Chapter 2, Long Term Care Ombudsman Services for Older Individuals	63,339	63,339
	Total Special Programs for the Aging, Title VII, Chapter 2, Long Term Care Ombudsman Services for Older Individuals	697,272	698,140
93.043	Special Programs for the Aging, Title III, Part D, Disease Prevention and Health Promotion Services	561,088	561,088
93.043	COVID-19 - Special Programs for the Aging, Title III, Part D, Disease Prevention and Health Promotion Services	112,560	112,936
	Total Special Programs for the Aging, Title III, Part D, Disease Prevention and Health Promotion Services	673,648	674,024
93.048	Special Programs for the Aging, Title IV, and Title II, Discretionary Projects	-	486
93.048	COVID-19 - Special Programs for the Aging, Title IV, and Title II, Discretionary Projects	495,289	525,299
	Total Special Programs for the Aging, Title IV, and Title II, Discretionary Projects	495,289	525,785
93.052	National Family Caregiver Support, Title III, Part E	4,742,626	4,742,626
93.052	COVID-19 - National Family Caregiver Support, Title III, Part E	683,204	722,857
	Total National Family Caregiver Support, Title III, Part E	5,425,830	5,465,483

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**COMMONWEALTH OF MASSACHUSETTS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

Assistance Listing	Program/Cluster Name	Passed Through to Subrecipients	Federal Expenditures
	U.S. Department of Health and Human Services (continued):		
93.069	Public Health Emergency Preparedness	\$ 4,317,869	\$ 12,652,532
93.070	Environmental Public Health and Emergency Response	223,229	1,360,825
93.070	COVID-19 - Environmental Public Health and Emergency Response	-	469,366
	Total Environmental Public Health and Emergency Response	223,229	1,830,191
93.071	Medicare Enrollment Assistance Program	552,650	555,864
93.072	Lifespan Respite Care Program	-	105,252
93.073	Birth Defects and Developmental Disabilities - Prevention and Surveillance	-	-
	Cooperative Agreements to Promote Adolescent Health through School-Based HIV/STD		
93.079	Prevention and School-Based Surveillance	-	122,737
93.084	COVID-19 - Prevention of Disease, Disability, and Death by Infectious Diseases	-	1,165
93.090	Guardianship Assistance	-	7,462,961
93.090	COVID-19 - Guardianship Assistance	-	745,163
	Total Guardianship Assistance	-	8,208,124
93.092	Affordable Care Act (ACA) Personal Responsibility Education Program	565,651	799,734
93.103	Food and Drug Administration Research	-	714,951
93.103	COVID-19 - Food and Drug Administration Research	-	16,173
	Total Food and Drug Administration Research	-	731,124
93.104	Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances (SED)	762,257	1,366,604
93.110	Maternal and Child Health Federal Consolidated Programs	106,625	817,789
93.110	COVID-19 - Maternal and Child Health Federal Consolidated Programs	1,708	408,927
	Total Maternal and Child Health Federal Consolidated Programs	108,333	1,226,716
93.116	Project Grants and Cooperative Agreements for Tuberculosis Control Programs	-	1,501,703
93.127	Emergency Medical Services for Children	-	127,614
93.130	Cooperative Agreements to States/Territories for the Coordination and Development of Primary Care Offices	-	217,407
93.136	Injury Prevention and Control Research and State and Community Based Programs	5,416,517	11,890,897
93.150	Projects for Assistance in Transition from Homelessness (PATH)	1,702,200	1,703,953
93.153	Coordinated Services and Access to Research for Women, Infants, Children, and Youth	372,902	598,009
93.165	Grants to States for Loan Repayment	-	550,000
93.165	COVID-19 - Grants to States for Loan Repayment	-	13,984
	Total Grants to States for Loan Repayment	-	563,984
93.184	Disabilities Prevention	72,000	647,500
	Childhood Lead Poisoning Prevention Projects, State and Local Childhood Lead Poisoning		
93.197	Prevention and Surveillance of Blood Lead Levels in Children	-	325,883
93.217	Family Planning Services	4,625,841	4,916,897
93.217	COVID-19 - Family Planning Services	263,822	319,870
	Total Family Planning Services	4,889,663	5,236,767
93.234	Traumatic Brain Injury State Demonstration Grant Program	88,075	289,618
93.235	Title V State Sexual Risk Avoidance Education (Title V State SRAE) Program	375,228	907,250
93.236	Grants to States to Support Oral Health Workforce Activities	-	218,985
93.240	State Capacity Building	-	743,401
93.241	State Rural Hospital Flexibility Program	-	354,149

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**COMMONWEALTH OF MASSACHUSETTS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

Assistance Listing	Program/Cluster Name	Passed Through to Subrecipients	Federal Expenditures
U.S. Department of Health and Human Services (continued):			
93.243	Substance Abuse and Mental Health Services Projects of Regional and National Significance	\$ 1,504,471	\$ 4,301,078
93.243	COVID-19 - Substance Abuse and Mental Health Services Projects of Regional and National Significance	252,018	1,308,776
	Total Substance Abuse and Mental Health Services Projects of Regional and National Significance	1,756,489	5,609,854
93.251	Early Hearing Detection and Intervention	66,470	244,411
93.262	Occupational Safety and Health Program	-	546,844
93.262	COVID-19 - Occupational Safety and Health Program	-	12,815
	Total Occupational Safety and Health Program	-	559,659
93.268	Immunization Cooperative Agreements	100,735	90,096,951
93.268	COVID-19 - Immunization Cooperative Agreements	18,282,775	32,551,040
	Total Immunization Cooperative Agreements	18,383,510	122,647,991
93.270	Viral Hepatitis Prevention and Control	-	566,529
93.301	Small Rural Hospital Improvement Grant Program	78,066	78,066
93.314	Early Hearing Detection and Intervention Information System (EHDI-IS) Surveillance Program	-	67,787
93.323	Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	-	4,979,477
93.323	COVID-19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	6,146,636	49,414,082
	Total Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	6,146,636	54,393,559
93.324	State Health Insurance Assistance Program	733,903	1,017,526
93.336	Behavioral Risk Factor Surveillance System	-	587,801
93.354	COVID-19 - Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	10,826,355	20,226,845
93.367	Flexible Funding Model - Infrastructure Development and Maintenance for State Manufactured Food Regulatory Programs	-	497,822
93.369	ACL Independent Living State Grants	-	336,955
93.369	COVID-19 - ACL Independent Living State Grants	-	79,283
	Total ACL Independent Living State Grants	-	416,238
93.387	National and State Tobacco Control Program	-	1,818,772
93.391	COVID-19 - Activities to Support State, Tribal, Local and Territorial (STLT) Health Department Response to Public Health or Healthcare Crises	970,999	7,650,080
93.413	The State Flexibility to Stabilize the Market Grant Program	-	211,876
93.426	Improving the Health of Americans through Prevention and Management of Diabetes and Heart Disease and Stroke	81,811	1,985,588
93.432	ACL Centers for Independent Living	-	1,428,487
93.432	COVID-19 - ACL Centers for Independent Living	-	543,844
	Total ACL Centers for Independent Living	-	1,972,331
93.434	Every Student Succeeds Act/Preschool Development Grants	-	3,294
93.435	Innovative State and Local Public Health Strategies to prevent and Manage Diabetes and Heart Disease and Stroke-	817,071	1,630,008
93.464	ACL Assistive Technology	-	554,670
93.493	Congressional Directives	-	90,566
93.495	COVID-19 - Community Health Workers for Public Health Response and Resilient	1,863,395	2,181,936
93.497	COVID-19 - Family Violence Prevention and Services/ Sexual Assault/Rape Crisis Services and Supports	672,337	672,337
93.517	Affordable Care Act – Aging and Disability Resource Center	5,482	5,482

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**COMMONWEALTH OF MASSACHUSETTS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

Assistance Listing	Program/Cluster Name	Passed Through to Subrecipients	Federal Expenditures
U.S. Department of Health and Human Services (continued):			
93.556	MaryLee Allen Promoting Safe and Stable Families Program	\$ -	\$ 5,027,685
93.556	COVID-19 - MaryLee Allen Promoting Safe and Stable Families Program	-	377,471
	Total MaryLee Allen Promoting Safe and Stable Families Program	-	5,405,156
93.558	Temporary Assistance for Needy Families	-	347,447,647
93.563	Child Support Enforcement	-	75,296,169
93.566	Refugee and Entrant Assistance State/Replacement Designee Administered Programs	9,881,156	28,558,757
93.568	Low-Income Home Energy Assistance	240,731,072	242,718,055
93.568	COVID-19 - Low-Income Home Energy Assistance	4,051,619	4,379,431
	Total Low-Income Home Energy Assistance	244,782,691	247,097,486
93.569	Community Services Block Grant	17,826,859	18,693,620
93.569	COVID-19 - Community Services Block Grant	325,309	489,558
	Total Community Services Block Grant	18,152,168	19,183,178
93.583	Refugee and Entrant Assistance Wilson/Fish Program	389,438	456,670
93.586	State Court Improvement Program	880	418,504
93.586	COVID-19 - State Court Improvement Program	-	93,813
	Total State Court Improvement Program	880	512,317
93.590	Community-Based Child Abuse Prevention Grants	918,550	947,162
93.590	COVID-19 - Community-Based Child Abuse Prevention Grants	150,704	151,374
	Total Community-Based Child Abuse Prevention Grants	1,069,254	1,098,536
93.597	Grants to States for Access and Visitation Programs	-	111,201
93.599	Chafee Education and Training Vouchers Program (ETV)	-	1,006,794
93.603	Adoption and Legal Guardianship Incentive Payments	-	2,404,288
93.630	Developmental Disabilities Basic Support and Advocacy Grants	95,220	1,234,183
93.630	COVID-19 - Developmental Disabilities Basic Support and Advocacy Grants	500	47,285
	Total Developmental Disabilities Basic Support and Advocacy Grants	95,720	1,281,468
93.634	Support for Ombudsman and Beneficiary Counseling Programs for States Participating in Financial Alignment Model Demonstrations for Dually Eligible Individuals	104,227	515,715
	COVID-19 - Section 9813: State Planning Grants for Qualifying Community-Based Mobile		
93.639	Crisis Intervention Services	-	611,173
93.643	Children's Justice Grants to States	-	129,649
93.645	Stephanie Tubbs Jones Child Welfare Services Program	-	3,506,895
93.658	Foster Care Title IV-E	-	117,898,422
93.658	COVID-19 - Foster Care Title IV-E	-	3,886,565
	Total Foster Care Title IV-E	-	121,784,987
93.659	Adoption Assistance	-	38,361,741
93.659	COVID-19 - Adoption Assistance	-	3,668,095
	Total Adoption Assistance	-	42,029,836
93.665	COVID-19 - Emergency Grants to Address Mental and Substance Use Disorders During COVID-19	-	241,176
93.667	Social Services Block Grant	-	79,284,830

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**COMMONWEALTH OF MASSACHUSETTS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

Assistance Listing	Program/Cluster Name	Passed Through to Subrecipients	Federal Expenditures
U.S. Department of Health and Human Services (continued):			
93.669	Child Abuse and Neglect State Grants	\$ -	\$ 1,931,497
93.669	COVID-19 - Child Abuse and Neglect State Grants	-	825,830
	Total Child Abuse and Neglect State Grants	-	2,757,327
93.671	Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services	2,879,994	2,946,313
93.671	COVID-19 - Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services	695,958	695,958
	Total Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services	3,575,952	3,642,271
93.674	John H. Chafee Foster Care Program for Successful Transition to Adulthood	-	3,659,158
93.747	Elder Abuse Prevention Interventions Program	-	441,179
93.747	COVID-19 - Elder Abuse Prevention Interventions Program	5,480	1,433,741
	Total Elder Abuse Prevention Interventions Program	5,480	1,874,920
93.767	Children's Health Insurance Program	-	665,118,387
93.767	COVID-19 - Children's Health Insurance Program	-	42,134,505
	Total Children's Health Insurance Program	-	707,252,892
93.788	Opioid STR	52,349,892	70,338,984
93.791	Money Follows the Person Rebalancing Demonstration	-	666,904
93.800	Organized Approaches to Increase Colorectal Cancer Screening	-	382,124
93.810	Paul Coverdell National Acute Stroke Program National Center for Chronic Disease Prevention and Health Promotion	-	512,715
93.817	Hospital Preparedness Program (HPP) Ebola Preparedness and Response Activities	-	9,298
93.817	COVID-19 - Hospital Preparedness Program (HPP) Ebola Preparedness and Response Activities	-	12
	Total Hospital Preparedness Program (HPP) Ebola Preparedness and Response Activities	-	9,310
93.870	Maternal, Infant and Early Childhood Home Visiting Grant	4,984,354	6,492,528
93.870	COVID-19 - Maternal, Infant and Early Childhood Home Visiting Grant	655,756	797,979
	Total Maternal, Infant and Early Childhood Home Visiting Grant	5,640,110	7,290,507
93.876	Antimicrobial Resistance Surveillance in Retail Food Specimens	-	61,247
93.889	National Bioterrorism Hospital Preparedness Program	2,805,458	3,863,394
93.898	Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations	339,859	2,095,881
93.913	Grants to States for Operation of State Offices of Rural Health	-	125,472
93.917	HIV Care Formula Grants	32,693,448	35,865,215
93.940	HIV Prevention Activities Health Department Based	4,313,167	10,366,055
93.944	Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance	-	275,863
93.946	Cooperative Agreements to Support State-Based Safe Motherhood and Infant Health Initiative Programs	575	568,195
93.946	COVID-19 - Cooperative Agreements to Support State-Based Safe Motherhood and Infant Health Initiative Programs	-	111,144
	Total Cooperative Agreements to Support State-Based Safe Motherhood and Infant Health Initiative Programs	575	679,339
93.958	Block Grants for Community Mental Health Services	15,201,869	15,526,416
93.958	COVID-19 - Block Grants for Community Mental Health Services	4,128,570	7,851,454
	Total Block Grants for Community Mental Health Services	19,330,439	23,377,870

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**COMMONWEALTH OF MASSACHUSETTS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

Assistance Listing	Program/Cluster Name	Passed Through to Subrecipients	Federal Expenditures
	U.S. Department of Health and Human Services (continued):		
93.959	Block Grants for Prevention and Treatment of Substance Abuse	\$ 17,545,266	\$ 34,468,049
93.959	COVID-19 - Block Grants for Prevention and Treatment of Substance Abuse	21,697,296	24,939,653
	Total Block Grants for Prevention and Treatment of Substance Abuse	39,242,562	59,407,702
93.967	CDC's Collaboration with Academia to Strengthen Public Health	-	44,882
93.967	COVID-19 - CDC's Collaboration with Academia to Strengthen Public Health	-	137,891
	Total CDC's Collaboration with Academia to Strengthen Public Health	-	182,773
93.977	Sexually Transmitted Diseases (STD) Prevention and Control Grants	-	1,701,372
93.977	COVID-19 - Sexually Transmitted Diseases (STD) Prevention and Control Grants	5,000	3,687,389
	Total Sexually Transmitted Diseases (STD) Prevention and Control Grants	5,000	5,388,761
93.978	Sexually Transmitted Diseases (STD) Provider Education Grants	-	816,480
93.981	Improving Student Health and Academic Achievement through Nutrition, Physical Activity and the Management of Chronic Conditions in Schools	41,697	313,144
93.981	COVID-19 - Improving Student Health and Academic Achievement through Nutrition, Physical Activity and the Management of Chronic Conditions in Schools	130,459	295,923
	Total Improving Student Health and Academic Achievement through Nutrition, Physical Activity and the Management of Chronic Conditions in Schools	172,156	609,067
93.991	Preventive Health and Health Services Block Grant	1,080,385	5,078,379
93.994	Maternal and Child Health Services Block Grant to the States	1,997,481	11,175,359
93.997	Assisted Outpatient Treatment	1,501,256	1,501,256
	Aging Cluster:		
93.044	Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	10,881,710	12,441,843
93.044	COVID-19 - Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	4,792,009	4,962,082
	Total Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	15,673,719	17,403,925
	Aging Cluster (continued):		
93.045	Special Programs for the Aging, Title III, Part C, Nutrition Services	20,755,020	20,755,020
93.045	COVID-19 - Special Programs for the Aging, Title III, Part C, Nutrition Services	5,324,459	5,513,644
	Total Special Programs for the Aging, Title III, Part C, Nutrition Services	26,079,479	26,268,664
93.053	Nutrition Services Incentive Program	6,430,343	7,064,702
	Total Aging Cluster	48,183,541	50,737,291
	CCDF Cluster:		
93.575	Child Care and Development Block Grant	-	160,794,355
93.575	COVID-19 - Child Care and Development Block Grant	5,185,838	267,540,365
	Total Child Care and Development Block Grant	5,185,838	428,334,720
93.596	Child Care Mandatory and Matching Funds of the Child Care and Development Fund	-	85,404,675
	Total CCDF Cluster	5,185,838	513,739,395
	Head Start Cluster :		
93.600	Head Start	-	88,553
	Total Head Start Cluster	-	88,553

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**COMMONWEALTH OF MASSACHUSETTS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

Assistance Listing	Program/Cluster Name	Passed Through to Subrecipients	Federal Expenditures
U.S. Department of Health and Human Services (continued):			
Medicaid Cluster:			
93.775	State Medicaid Fraud Control Units	\$ -	\$ 4,540,142
93.777	State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare	-	15,752,971
93.777	COVID-19 - State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare	-	635,981
	Total State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare	-	16,388,952
93.778	Medical Assistance Program	-	13,947,435,696
93.778	COVID-19 - Medical Assistance Program	-	1,148,848,866
	Total Medical Assistance Program	-	15,096,284,562
	Total Medicaid Cluster	-	15,117,213,656
	Total U.S. Department of Health and Human Services	562,039,270	17,904,994,702
Social Security Administration:			
96.008	Social Security - Work Incentives Planning and Assistance Program	-	213,632
Disability Insurance/SSI Cluster:			
96.001	Social Security Disability Insurance	-	46,092,507
	Total Disability Insurance/SSI Cluster	-	46,092,507
	Total Social Security Administration	-	46,306,139
U.S. Department of Homeland Security:			
97.008	Non-Profit Security Program	2,318,082	2,394,551
97.012	Boating Safety Financial Assistance	-	2,230,653
97.023	Community Assistance Program State Support Services Element (CAP-SSSE)	-	264,399
97.036	Disaster Grants - Public Assistance (Presidentially Declared Disasters)	22,575,685	28,907,074
97.036	COVID-19 - Disaster Grants - Public Assistance (Presidentially Declared Disasters)	337,144,219	632,307,766
	Total Disaster Grants - Public Assistance (Presidentially Declared Disasters)	359,719,904	661,214,840
97.039	Hazard Mitigation Grant	1,075,185	1,563,946
97.039	COVID-19 - Hazard Mitigation Grant	-	731,848
	Total Hazard Mitigation Grant	1,075,185	2,295,794
97.041	National Dam Safety Program	-	328,426
97.042	Emergency Management Performance Grants	2,341,696	8,942,760
97.043	State Fire Training Systems Grants	-	19,969
97.044	Assistance to Firefighters Grant	-	500,000
97.047	BRIC: Building Resilient Infrastructure and Communities	869,932	1,068,775
97.050	COVID-19 - Presidential Declared Disaster Assistance to Individuals and Households - Other Needs	-	540
97.056	Port Security Grant Program	79,000	212,730
97.067	Homeland Security Grant Program	13,099,215	17,685,076
97.091	Homeland Security Biowatch Program	-	1,381,464
	Total U.S. Department of Homeland Security	379,503,014	698,539,977

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**COMMONWEALTH OF MASSACHUSETTS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

Assistance Listing	Program/Cluster Name	Passed Through to Subrecipients	Federal Expenditures
Research And Development Cluster:			
U.S. Department of Health and Human Services:			
93.073	Birth Defects and Developmental Disabilities - Prevention and Surveillance	\$ 605,988	\$ 1,100,703
93.323	COVID-19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	-	45,617
93.946	Cooperative Agreements to Support State-Based Safe Motherhood and Infant Health Initiative Programs	21,849	141,229
Total U.S. Department of Health and Human Services		<u>627,837</u>	<u>1,287,549</u>
Total Research And Development Program Cluster		<u>627,837</u>	<u>1,287,549</u>
Total Expenditures of Federal Awards		<u><u>\$ 3,574,758,334</u></u>	<u><u>\$ 29,786,708,060</u></u>

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, 2023

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, 2023 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, 2023.

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 (Assistance Listing 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, 2023**

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	\$ 281,170,593
10.551	Supplemental Nutrition Assistance Program	3,581,398,174
10.555	National School Lunch Program	31,104,943
10.558	Child and Adult Care Food Program	3,111
93.268	Immunization Cooperative Agreements	81,444,152
	Total Noncash Awards	<u>\$ 3,975,120,973</u>

Commodity inventories for the Food Donation Program at June 30, 2023 totaled \$359,342.

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 17.225:

Commonwealth UI Funds - Benefits	\$ 1,743,540,616
Federal UI Funds - Benefits	7,362,637
Federal UI Funds - Administration	72,969,007
COVID-19 - Federal UI Funds - Benefits	21,038,160
COVID-19 - Federal UI Funds - Administration	3,898,026
Total Expenditures	<u>\$ 1,848,808,446</u>

**COMMONWEALTH OF MASSACHUSETTS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2023**

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 (Assistance Listing 14.239) is administered by the Commonwealth's Executive Office of Housing and Livable Communities (EOHLC) to expand the supply of affordable housing in the Commonwealth. Details of the Fiscal Year 2023 loan activity is as follows:

Balance Beginning	Additions	Deletions	Balance Ending
\$ 254,027,075	\$ 20,393,697	\$ (705,726)	\$ 273,715,046

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 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, 2023, the amount included in the accompanying schedule for Disaster Grants – Public Assistance (Assistance Listing 97.036) includes \$268,267,991 of approved eligible expenditures that were incurred in a prior year.

NOTE 10 REBATES FROM THE SPECIAL SUPPLEMENTAL NUTRITION PROGRAM FOR WOMEN, INFANTS, AND CHILDREN (WIC)

During fiscal year 2023, the Commonwealth received cash rebates from infant formula manufacturers in the amount of \$24,668,463 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: 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 Commonwealth to extend program benefits to more participants than could have been serviced this fiscal year in the absence of the rebate contract.

**COMMONWEALTH OF MASSACHUSETTS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2023**

NOTE 11 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	\$ 160,794,355
CCDF Mandatory and Matching	85,404,675
CCDF CRRSA	62,467,575
CCDF ARP Supplemental	194,291,712
CCDF ARP Child Stabilization Funds	<u>10,781,078</u>
Total Expenditures	<u><u>\$ 513,739,395</u></u>

NOTE 12 EMERGENCY HOUSING VOUCHERS

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) under the Housing Choice Voucher Program (Assistance Listing 14.871).

The Schedule includes \$11,338,273 in EHV funding issued under the American Rescue Plan Act of 2021 under the Moving to Work Demonstration Program (Assistance Listing 14.881).

**COMMONWEALTH OF MASSACHUSETTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2023**

Section I – Summary of the Auditors' Results

1. Type of auditors' report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness(es) identified? X yes no
 - Significant deficiency(ies) identified? yes X 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: \$ 44,680,062

Auditee qualified as low-risk auditee? yes X no

**COMMONWEALTH OF MASSACHUSETTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

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

Identification of Major Programs

Major Program	Assistance Listing	Opinion
WIC Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	Unmodified
Child and Adult Care Food Program	10.558	Qualified
National Guard Military Operations and Maintenance (O&M) Projects	12.401	Unmodified
Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14.228	Unmodified
Home Investment Partnerships Program	14.239	Unmodified
Unemployment Insurance	17.225	Unmodified
Employment Service Cluster	17.207, 17.801	Qualified
WIOA Cluster	17.258, 17.259, 17.278	Qualified
Highway Planning and Construction	20.205	Unmodified
Emergency Rental Assistance	21.023	Qualified
Homeowner Assistance Fund	21.026	Unmodified
Coronavirus State and Local Fiscal Recovery Funds	21.027	Unmodified
Title I Grants to Local Educational Agencies	84.010	Unmodified
Education Stabilization Fund	84.425	Unmodified
Special Education Cluster	84.027, 84.173	Unmodified
Aging Cluster	93.044, 93.045, 93.053	Qualified
Immunization Cooperative Agreements	93.268	Qualified
Refugee and Entrant Assistance State/Replacement Designee Administered Programs	93.566	Unmodified
Low-Income Home Energy Assistance	93.568	Qualified
Medicaid Cluster	93.775, 93.777, 93.778	Qualified
Opioid STR	93.788	Qualified
Block Grants for Prevention and Treatment of Substance Abuse	93.959	Unmodified
Disability Insurance/SSI Cluster	96.001	Unmodified

**COMMONWEALTH OF MASSACHUSETTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

Section II – Financial Statement Findings

Finding 2023-001

Executive Office of Labor and Workforce Development

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

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

Repeat Finding: Yes, 2022-001

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).

The results of our audit procedures identified systemic accounting and financial reporting deficiencies that have resulted in untimely and inaccurate information. Specifically, there is a lack of controls surrounding the cash, benefits, and federal draw reconciliations that resulted in misstatements of cash, benefits, and the overdraw of federal pandemic related unemployment funds.

We also identified the following:

1. The EOLWD bank accounts, including the federal unemployment trust fund bank account, managed by the EOLWD, were not reconciled to MMARS until February 2024. Furthermore, four additional bank accounts, primarily used for the purpose of holding unemployment related benefits recovered from fraudulent claims, totaling \$52.5 million, were not recorded in MMARS until February 2024. These amounts are recorded as other liabilities in the Unemployment Compensation Trust Fund in the Commonwealth's ACFR.
2. EOLWD's GAAP package for the Unemployment Compensation Trust Fund was not received timely and required multiple revisions (based on CTR's review) prior to it being provided (February 2024) to us for audit purposes.
3. For the period July 1, 2022 through February 2023, a standard daily process to draw down federal pandemic funds and state unemployment compensation funds was not followed, and the interpretation of the data provided from the unemployment system was inaccurate. Furthermore, the ad hoc process that was used introduced systematic errors in calculating the amounts of federal and state funds to be drawn to pay benefits.
4. 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.

**COMMONWEALTH OF MASSACHUSETTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

Section II – Financial Statement Findings (Continued)

Finding 2023-001 (Continued)

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 following was the effect from the conditions previously described:

1. Federal pandemic related grant programs were overdrawn by an additional \$8 million during fiscal year 2023 resulting in an approximate overdraw totaling \$2.5 billion for the period April 6, 2020 through June 30, 2023.
2. Cash and other liabilities were initially understated by approximately \$52.5 million as of June 30, 2023.
3. Delayed the issuance of the ACFR.

Cause: Procedures are not in place to:

- Accurately drawdown funds from the federal pandemic related grant programs and the state unemployment compensation trust fund.
- Reconcile the Fund's activities and balances between the bank accounts, MMARS, and the unemployment insurance benefit systems.
- Accurately prepare the GAAP package for the CTR's ACFR.

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

We recommend EOLWD investigate the \$52.5 million of previously unrecognized cash accounts and determine the appropriate action.

**COMMONWEALTH OF MASSACHUSETTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

Section II – Financial Statement Findings (Continued)

Finding 2023-001 (Continued)

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. Such procedures should include documentation as to how balances are calculated for the following items:

- a. Employer Unemployment Insurance Contributions 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
- g. Overdraw of Federal Pandemic Funds

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:

The following addresses all recommendations noted above. The Executive Office of Labor and Workforce Development (EOLWD) is committed to working on the recommendations noted above and has already begun addressing portions of them.

EOLWD engaged in several projects with consultants from August 2021 through February of 2023 to identify internal control improvements, process redesign and automation that would address the recommendations referred to in this document. On February 15, 2023, EOLWD eliminated the reporting issue that was causing the overdraw of federal funds, including the \$8 million overdraw referenced above.

EOLWD has undertaken a comprehensive review of the Finance department's functions and policies and procedures. EOLWD worked with a consultant through December 2023 to assess the department's risks and opportunities in more detail, including internal control measures and organizational enhancements, and is in the process of integrating the consultant's recommendations into the department's functions to streamline processes and mitigate the risk for untimely or inaccurate financial reporting. In addition, in keeping with the Office of the Comptroller's requirements, the Finance department has conducted a risk assessment and developed and documented an internal control plan, which is under internal review.

EOLWD also hired a Director of Financial Reporting, a new role, in October 2023 to take the lead on financial reporting functions. As we continue to evaluate the Finance department, EOLWD intends to add staff capacity to the Financial Reporting unit, budgetary resources permitting.

**COMMONWEALTH OF MASSACHUSETTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

Section II – Financial Statement Findings (Continued)

Finding 2023-001 (Continued)

In September 2023, EOLWD launched the first phase of its Employment Modernization Transformation (EMT) project, which will replace DUA's old Unemployment Insurance (UI) system with an entirely new one. The first phase included the collecting, tracking, and recording of employer UI contributions. EMT is a major improvement over DUA's old system and has already facilitated more efficient and accurate reporting between the Department of Unemployment Assistance (DUA) and EOLWD Finance. EOLWD Finance and DUA have conducted monthly reconciliations of the data. EMT's reporting functions have also enabled EOLWD Finance to begin producing quarterly financial statements. As Finance continues to work with CTR on this effort, Finance will document written procedures to outline the parameters for quarterly and annual statements.

EOLWD will launch the second phase of EMT in May 2025. The second phase encompasses all processes related to the payment of unemployment benefits, including verifying claimant eligibility and calculating, issuing, tracking, and recording payments to claimants. EOLWD Finance is engaged in the development and testing of this component to ensure the system's infrastructure and capabilities align with accounting and reporting standards. While the new UI system's full roll-out will be completed in May of 2025, EOLWD Finance is already working on documenting policies and procedures for accounting and reporting, including the items flagged above for the development of the annual GAAP package.

Lastly, since the \$52.5 million in previously unrecognized bank balances was identified, EOLWD Finance has been investigating these accounts. The accounts do not reflect fraudulent claims, but they are instead tied to overpayment repayments, employer refunds, and return of prepaid debit card balances. To date, we have included these accounts in quarterly bank reconciliations and will soon begin conducting these reconciliations on a monthly basis. We will continue to research these accounts in coordination with DUA, determine and document the appropriate course of action, and ensure that the balance is correctly stated for future reporting.

Finding 2023-002

Executive Office of Labor and Workforce Development

Finding Title: Accounting and Financial Reporting - Special Contribution Unemployment Compensation Trust Fund

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

Repeat Finding: No

Condition: The Executive Office of Labor and Workforce Development (EOLWD) is responsible for maintaining the books and records of the Special Contribution Unemployment Compensation Trust Fund (Fund), which is reported as part of the Unemployment Compensation Trust Fund (a major enterprise fund) in the Commonwealth's Annual Comprehensive Financial Report (ACFR). This responsibility includes recording activity 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

**COMMONWEALTH OF MASSACHUSETTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

Section II – Financial Statement Findings (Continued)

Finding 2023-002 (continued)

the ACFR in accordance with accounting principles generally accepted in the United States of America (GAAP).

On August 30, 2022, the Commonwealth issued \$2.7 billion of special obligation bonds, secured by a COVID-19 recovery assessment on Commonwealth employers, for the primary purpose of repaying outstanding federal advances (including interest) received by the Commonwealth under the federal unemployment insurance program during the pandemic. The special obligation bonds require a specific “flow of funds” that involves a trustee for the receipt of the recovery assessment and the debt service payments associated with the bonds.

We identified the activity of the Fund, from the time the bonds were issued, were not recorded in MMARS until the first quarter of calendar year 2024. The activity includes the bond issuance of approximately \$2.7 billion, employer contributions of approximately \$766 million, investment income of approximately \$5 million, and interest expense of approximately \$85 million.

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 following was the effect from the conditions previously described:

1. Management did not have the ability to monitor and reconcile the Fund’s activities for the final 10 months of the fiscal year.
2. Accurate and timely financial information related to the Fund was unavailable from MMARS.
3. Delayed the issuance of the ACFR.

Cause: Controls and procedures were not designed and implemented to record the Fund’s activities on MMARS after the issuance of the bonds.

Recommendation: We recommend procedures be designed and implemented to record the Fund’s activities on a perpetual basis and reconcile all activity no later than 30-days after month close.

**COMMONWEALTH OF MASSACHUSETTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

Section II – Financial Statement Findings (Continued)

Finding 2023-002 (continued)

Views of Responsible Officials and Corrective Actions:

When it learned that EOLWD has responsibility for reporting on the Special Contribution Unemployment Compensation Trust Fund, in coordination with Office of the Comptroller (CTR) and the Office of the State Treasurer, the EOLWD Finance team began gathering the relevant documentation for recording and reporting on the Fund's activities. The Office of the State Treasurer managed the bond issuance and the Fund's bank account, and bank statements remain under its purview. EOLWD Finance will continue to work with CTR and Treasury to ensure the proper recording and reconciliation of the Fund's activities. After submitting the ACFR reporting to CTR in February 2024, EOLWD Finance has worked on developing quarterly statements for the Fund and recording entries in MMARS.

**COMMONWEALTH OF MASSACHUSETTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

Section III – Findings and Questioned Costs – Major Federal Programs

Summary of Findings for Major Federal Programs

Program/Cluster Title	Federal Agency (Prefix)	Assistance Listing	Finding No.	Internal Control		Compliance	Compliance Requirement
				Material Weakness	Significant Deficiency		
WIC Special Supplemental Nutrition Program for Women, Infants, and Children	U.S.D.A. (10)	10.557	2023-003		X	X	Period of Performance
WIC Special Supplemental Nutrition Program for Women, Infants, and Children	U.S.D.A. (10)	10.557	2023-004		X	X	Eligibility
Child and Adult Care Food Program	U.S.D.A. (10)	10.558	2023-005	X		X	Eligibility, Subrecipient Monitoring
Unemployment Insurance	U.S. DOL (17)	17.225	2023-006		X	X	Special Tests & Provisions - UI Benefit Payments
Employment Service Cluster	U.S. DOL (17)	17.207, 17.801	2023-007	X		X	Reporting - FFATA
Employment Service Cluster	U.S. DOL (17)	17.207, 17.801	2023-008	X			Earmarking
Employment Service Cluster	U.S. DOL (17)	17.207, 17.801	2023-009		X	X	Reporting - Financial
WIOA Cluster, Employment Service Cluster	U.S. DOL (17)	17.258, 17.259, 17.278, 17.207, 17.801	2023-010		X	X	Allowable Costs/Cost Principles
WIOA Cluster, Employment Service Cluster	U.S. DOL (17)	17.258, 17.259, 17.278, 17.207, 17.801	2023-011		X	X	Reporting - Financial
WIOA Cluster, Employment Service Cluster	U.S. DOL (17)	17.258, 17.259, 17.278, 17.207, 17.801	2023-012		X	X	Subrecipient Monitoring
WIOA Cluster	U.S. DOL (17)	17.258, 17.259, 17.278	2023-013	X		X	Reporting - FFATA
WIOA Cluster	U.S. DOL (17)	17.258, 17.259, 17.278	2023-014		X	X	Earmarking
Emergency Rental Assistance	U.S. TREAS (21)	21.023	2023-015	X		X	Subrecipient Monitoring
Emergency Rental Assistance	U.S. TREAS (21)	21.023	2023-016		X	X	Eligibility
Title I Grants to Local Educational Agencies	U.S DOE (84)	84.010	2023-017		X	X	Reporting - FFATA
Education Stabilization Fund	U.S DOE (84)	84.425	2023-018		X	X	Reporting - FFATA
Education Stabilization Fund	U.S DOE (84)	84.425	2023-019		X	X	Subrecipient Monitoring
Aging Cluster	U.S HHS (93)	93.044, 93.045, 93.053	2023-020	X		X	Reporting - FFATA
Aging Cluster	U.S HHS (93)	93.044, 93.045, 93.053	2023-021		X	X	Earmarking
Aging Cluster	U.S HHS (93)	93.044, 93.045, 93.053	2023-022		X	X	Subrecipient Monitoring
Immunization Cooperative Agreements	U.S HHS (93)	93.268	2023-023	X		X	Reporting - FFATA
Refugee and Entrant Assistance State Administered Programs	U.S HHS (93)	93.566	2023-024		X	X	Subrecipient Monitoring

**COMMONWEALTH OF MASSACHUSETTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

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

Summary of Findings for Major Federal Programs (continued)

Program/Cluster Title	Federal Agency (Prefix)	Assistance Listing	Finding No.	Internal Control		Compliance	Compliance Requirement
				Material Weakness	Significant Deficiency		
Refugee and Entrant Assistance State Administered Programs, Opioid STR, Block Grants for Prevention and Treatment of Substance Abuse	U.S HHS (93)	93.566, 93.788, 93.9589	2023-025		X	X	Subrecipient Monitoring
Low-Income Home Energy Assistance	U.S HHS (93)	93.568	2023-026	X		X	Reporting - FFATA
Low-Income Home Energy Assistance	U.S HHS (93)	93.568	2023-027	X		X	Reporting
Low-Income Home Energy Assistance	U.S HHS (93)	93.568	2023-028		X	X	Subrecipient Monitoring
Medicaid Cluster	U.S HHS (93)	93.775, 93.777, 93.778	2023-029		X	X	Allowable Activities/Allowable Costs, Special Tests & Provisions - Provider Eligibility and Provider Health and Safety Standards
Medicaid Cluster	U.S HHS (93)	93.775, 93.777, 93.778	2023-030	X		X	Special Tests & Provisions - ADP Risk Analysis & System Security Review
Medicaid Cluster	U.S HHS (93)	93.775, 93.777, 93.778	2023-031		X	X	Special Tests & Provisions - Medical Loss Ratio
Medicaid Cluster	U.S HHS (93)	93.775, 93.777, 93.778	2023-032		X	X	Special Tests & Provisions - Refunding Overpayments to Providers
Opioid STR	U.S HHS (93)	93.788	2023-033	X		X	Reporting - FFATA
Opioid STR	U.S HHS (93)	93.788	2023-034		X	X	Allowable Activities/Allowable Costs - Payroll
Opioid STR	U.S HHS (93)	93.788	2023-035		X	X	Reporting
Opioid STR	U.S HHS (93)	93.788	2023-036		X	X	Suspension and Debarment
Block Grants for Prevention and Treatment of Substance Abuse	U.S HHS (93)	93.959	2023-037		X	X	Reporting - FFATA

**COMMONWEALTH OF MASSACHUSETTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

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

Reference Number:	2023-003
Prior Year Finding:	No
Federal Agency:	U.S. Department of Agriculture
State Agency:	Department of Public Health
Federal Program:	WIC Special Supplemental Nutrition Program for Women, Infants, and Children
Assistance Listing Number:	10.557
Award Number and Year:	224MA702WI003 (10/1/2021 – 9/30/2022)
Compliance Requirement:	Period of Performance
Type of Finding:	Significant Deficiency in Internal Control over Compliance, Other Matters

Criteria or specific requirement:

Compliance: A non-federal entity may charge only allowable costs incurred during the approved budget period of a federal award's period of performance and any costs incurred before the federal awarding agency or pass-through entity made the federal award that were authorized by the federal awarding agency or pass-through entity (2 CFR sections 200.308 200.309 and 200.403(h)). A period of performance may contain one or more budget periods.

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 of Public Health (Department) charged costs to the federal grant after the end of the grant's allowable period of performance.

Context:

One of forty expenditure transactions selected for testing was incurred after the end of the grant's period of performance. The period of performance ended on September 30, 2022 and the expenditure was incurred on October 10, 2022. Funds were not encumbered prior to the end of the period of performance.

Cause:

The Department's procedures and internal controls were not operating sufficiently to ensure that expenditures were charged to the correct grant year. The Department had a contract in place with the vendor but did not encumber funds for the transaction prior to September 30, 2022. Therefore, the expenditures should have been charged to the FFY2023 grant period.

**COMMONWEALTH OF MASSACHUSETTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

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

Effect:

Costs could be deemed unallowable by the awarding agency if funds are expended and/or obligated after the allowable period of performance.

Questioned costs:

None above reportable threshold.

Recommendation:

The Department should review and enhance its procedures and internal controls to ensure that it charges expenditures to the program that are incurred within an award's allowable period of performance. The Department should ensure that it encumbers funds prior to the end of the period of performance when appropriate.

Views of responsible officials:

Management agrees with the finding.

**COMMONWEALTH OF MASSACHUSETTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

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

Reference Number: 2023-004
Prior Year Finding: No
Federal Agency: U.S. Department of Agriculture
State Agency: Department of Public Health
Federal Program: WIC Special Supplemental Nutrition Program for Women, Infants, and Children
Assistance Listing Number: 10.557
Award Number and Year: 224MA702W1003 (10/1/2021 – 9/30/2022)
234MA702W1003 (10/1/2022 – 9/30/2023)
Compliance Requirement: Eligibility- Subrecipient Agreements
Type of Finding: Significant Deficiency in Internal Control Over Compliance, Other Matters

Criteria or specific requirement:

Compliance: 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 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.

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 issued to eligible subrecipients was did not contain all of the required data. The subaward agreements did not contain the federal award identification number (FAIN) or federal award date.

Context:

For 8 of 8 subawards selected for testing, the Federal Award Identification Number (FAIN) and Federal Award Date were not included in the agreement provided to the subrecipient.

Questioned costs:

None

Cause:

The Department utilizes a standard subaward that was not updated to include all federal subaward requirements.

**COMMONWEALTH OF MASSACHUSETTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

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

Effect:

The exclusion of required federal grant award information may cause subrecipients to be uninformed about specific program and regulatory information.

Recommendation:

The Department should review and enhance internal controls and procedures to ensure that all required information is included in all subawards and that proper subrecipient monitoring is conducted.

Views of responsible officials:

Management agrees with the finding.

**COMMONWEALTH OF MASSACHUSETTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

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

Reference Number: 2023-005

Prior Year Finding: 2022-004

Federal Agency: U.S. Department of Agriculture

State Agency: Department of Elementary and Secondary Education

Federal Program: Child and Adult Care Food Program

Assistance Listing Number: 10.558

Award Number and Year: 202222N202044 (10/1/2021 – 9/30/2022), 202323N202044 (10/1/2022 – 9/30/2023), 202323N119944 (1/1/2022 – 9/30/2023), 202323N202044 (10/1/2022 – 9/30/2023), 202323N119944 (10/1/2022 – 9/30/2023)

Compliance Requirement: Eligibility, Subrecipient Monitoring

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

Criteria or Specific Requirement:

Compliance: Eligibility – Per 7 CFR section 226.2, subrecipients must meet the definition of “independent center” or “sponsoring organization”. In addition, all institutions must also meet the eligibility requirements stated in 7 CFR section 226.15 and 42 USC 1766(a)(6) and (d)(l). Definitions include:

- 1) Independent center means a child care center, at-risk afterschool care center, emergency shelter, outside-school-hours care center or adult day care center which enters into an agreement with the state agency to assume final administrative and financial responsibility for program operations.
- 2) Sponsoring organization means a public or nonprofit private organization that is entirely responsible for the administration of the food program.
- 3) For-profit center means a child care center, outside-school-hours care center, or adult day care center providing nonresidential care to adults or children that does not qualify for tax-exempt status under the Internal Revenue Code of 1986. For-profit centers serving adults must meet the criteria described in paragraph (a) of this definition. For-profit centers serving children must meet the criteria described in paragraphs (b)(1) or (b)(2) of this definition, except that children who only participate in the at-risk afterschool snack and/or meal component of the program must not be considered in determining the percentages under paragraphs (b)(1) or (b)(2) of this definition.

Subrecipient Monitoring – 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:

- i. Subrecipient name (which must match the name associated with its unique entity identifier);
- ii. Subrecipient's unique entity identifier;
- iii. Federal Award Identification Number (FAIN);

**COMMONWEALTH OF MASSACHUSETTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

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

- iv. 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;
- v. Subaward Period of Performance Start and End Date;
- vi. Subaward Budget Period Start and End Date;
- vii. Amount of Federal Funds Obligated by this action by the pass-through entity to the subrecipient;
- viii. Total Amount of Federal Funds Obligated to the subrecipient by the pass-through entity including the current financial obligation;
- ix. Total Amount of the Federal Award committed to the subrecipient by the pass-through entity;
- x. Federal award project description, as required to be responsive to the Federal Funding Accountability and Transparency Act (FFATA);
- xi. Name of Federal awarding agency, pass-through entity, and contact information for awarding official of the Pass-through entity;
- xii. 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;
- xiii. Identification of whether the award is R&D; and
- xiv. Indirect cost rate for the Federal award (including if the de minimis rate is charged) per section 200.414.

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 of Elementary and Secondary Education (Department) was unable to provide documentation that it issued subawards in compliance with federal regulations.

Context:

Sixty subawards were selected for testing. The Department documents subrecipient eligibility in a permanent agreement with each subrecipient. The following exceptions were noted:

- For one of sixty subawards selected for testing, the Department could not provide documentation that it had obtained the subrecipient’s Unique Entity Identifier prior to the issuance of the subaward.
- For six of sixty subrecipients selected for testing, the Department did not have an approved permanent agreement on file prior to the start date of the contract. Therefore, the Department was unable to provide documentation that it had determined subrecipient eligibility prior to the start date of the contract.

Questioned costs:

Undetermined.

**COMMONWEALTH OF MASSACHUSETTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

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

Cause:

The Department's procedures and controls were not sufficient to ensure that subawards were issued in compliance with federal regulations and that subrecipient eligibility was determined prior to issuance of contracts.

Effect:

Failure to ensure subrecipients are eligible to receive program funding and failure to ensure subrecipients have a registered unique entity identification number could result in unauthorized entities receiving program funding.

Recommendation:

The Department should review and enhance internal controls and procedures to ensure that all subrecipients are eligible to receive program funds and that required information is obtained prior to entering into a subrecipient agreement.

Views of Responsible Officials:

Management agrees with the finding.

**COMMONWEALTH OF MASSACHUSETTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

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

Reference Number: 2023-006

Prior Year Finding: 2022-009

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: UI372292255A25 (10/1/2021 – 12/31/2024), UI356542155A25 (10/1/2020 – 12/31/2023)

Compliance Requirement: Special Tests and Provisions – UI Benefit Payments

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

Criteria or Specific Requirement:

Compliance: The State Workforce Agency (SWA) is required by 20 CFR section 602.11(d) to operate and maintain a quality control system. The Benefits Accuracy Measurement (BAM) program is DOL's quality control system designed to assess the accuracy of UI benefit payments and denied claims, unless the SWA is exempted from such requirement (20 CFR section 602.22). BAM estimates error rates, number of claims improperly paid or denied, and dollar amounts of benefits improperly paid or denied, by projecting the results from investigations of statistically sound random samples to the universe of all claims paid and denied in a state. Specifically, the SWA's BAM unit is required to draw a weekly sample of payments and denied claims, complete prompt, and in-depth investigations to determine if the administration of the UC program is consistent with state and federal law (20 CFR section 602.21(d)).

As presented in the ET Handbook No. 395, the investigation involves a review of state agency records, as well as contacting the claimant, employers, and third parties (either in-person, by telephone, or by fax) to conduct new and original fact-finding related to all of the information pertinent to the paid or denied claim that was sampled. BAM investigators review cases for adherence to federal and state law as well as official policy. The following time limits are established for completion of all cases for the year. (The "year" includes all batches of weeks ending in the calendar year.):

- a minimum of 70 percent of cases must be completed within 60 days of the week ending date of the batch;
- 95 percent of cases must be completed within 90 days of the week ending date of the batch;
- a minimum of 98 percent of cases for the year must be completed within 120 days of the ending date of the calendar year.

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, 2023**

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

Condition:

The Executive Office of Labor and Workforce Development (Department) did not complete BAM case investigations within the time limits established in the ET Handbook No. 395.

Context:

Sixty cases were selected for testing. The Department did not meet the required time limits for closing cases within 60, 90 or 120 days. Specifically, we noted the following exceptions:

- 68% of cases tested (41 of 60 cases) were closed within 60 days which is less than the required 70%.
- 87% of cases tested (52 of 60 cases) were closed within 90 days which is less than the required 95%.
- 93% of cases tested (56 of 60 cases) were closed within 120 days which is less than the required 98%.

Questioned costs:

Undetermined.

Cause:

The Department's procedures and controls were not sufficient to ensure it met the required BAM investigation time limits for closing cases and to ensure all claim types were part of weekly testing.

Effect:

Noncompliance with BAM case investigation time limits could delay the detection and correction of inaccurate benefit payments and denied claims.

Recommendation:

We recommend the Department review and enhance procedures and controls to ensure that BAM case investigations are completed timely in accordance with the time limits established in the ET Handbook No. 395 and that both paid and denied claims are selected for testing.

Views of Responsible Officials:

Management agrees with the finding.

**COMMONWEALTH OF MASSACHUSETTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

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

Reference Number: 2023-007

Prior Year Finding: No

Federal Agency: U.S. Department of Labor

State Agency: Executive Office of Labor and Workforce Development

Federal Program: Employment Service Cluster

Assistance Listing Number: 17.207, 17.801

Award Number and Year: ES367612155A25 (7/1/2021 – 9/30/2024), ES387362255A25 (7/1/2022 – 9/30/2025)
DV378592255525 (10/1/2021 – 12/31/2023), 23555DV000008 (10/1/2022 – 12/31/2024)

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

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

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 \$25,000,000 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, 2023**

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

Condition:

The Executive Office of Labor and Workforce Development (Department) did not report subaward information to FSRS in accordance with FFATA requirements.

Context:

Eight subawards were selected for testing. The subawards were modified between one and two times after the initial award, for a total of twelve transactions tested. The following exceptions were noted:

- Three of twelve transactions selected for testing were due from 2/28/2022 to 11/30/2022 but were not reported until 2/8/2023, or from 9 to 12 months after they were due.
- Nine of twelve subawards were due from between 5/31/2022 to 7/31/2023 but were not reported until after they were tested by auditors in January 2024.

In addition, the Department was unable to produce documentation supporting their review and approval of the tested FFATA reports prior to submission in the FSRS system.

Transactions Tested	Subaward not reported	Report not timely	Subaward amount incorrect	Subaward missing key elements
12	9	3	0	0
Dollar Amount of Tested Transactions	Subaward not reported	Report not timely	Subaward amount incorrect	Subaward missing key elements
\$2,617,155	\$1,879,939	\$737,216	\$0	\$0

Cause:

The Department's procedures and controls were not sufficient to ensure that subawards were reviewed, approved and submitted timely to FSRS.

Effect:

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

Questioned costs:

None.

Recommendation:

The Department should implement procedures and internal controls to ensure that all required subawards are reviewed, approved, and subsequently timely submitted to FSRS no later than the end of the month following the month of issuance. Documentation of implemented controls should be readily available for auditors.

Views of Responsible Officials:

Management agrees with the finding.

**COMMONWEALTH OF MASSACHUSETTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

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

Reference Number: 2023-008

Prior Year Finding: No

Federal Agency: U.S. Department of Labor

State Agency: Executive Office of Labor and Workforce Development

Federal Program: Employment Service Cluster

Assistance Listing Number: 17.207, 17.801

Award Number and Year: ES387362255A25 (7/1/2022 – 9/30/2025)

Compliance Requirement: Earmarking

Type of Finding: Material Weakness in Internal Control Over Compliance

Criteria or Specific Requirement:

Compliance: Earmarking requirements for Statewide Activities include the following:

- (1) The governor shall reserve not more than 15 percent of each of the amounts allotted to the state Adult, Dislocated Worker, and Youth Activities for a fiscal year to carry out statewide activities under Section 129(b) or statewide employment and training activities for adults or dislocated workers under section 134(a) (Section 128(a), WIOA, 128 Stat. 1502).
- (2) Not more than 5 percent of the funds allotted to a state under Section 127(b)(1)(C) of WIOA shall be used by the state for administrative activities related to youth workforce investment and employment and training activities (Section 129(b)(3), WIOA, 128 Stat 1508).
- (3) The state must reserve for rapid response activities a portion of funds, up to 25 percent, allotted for dislocated workers. The funds are used to plan and deliver services to enable dislocated workers to transition to new employment as quickly as possible, following either a permanent closure or mass layoff, or a natural or other disaster resulting in a mass job relocation (20 CFR section 682.350; sections 133(a)(2) and 134(a)(2)(A), WIOA, 128 Stat. 1516 and 1520).

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) was unable to provide documentation of internal controls used to ensure compliance with the program’s earmarking requirements.

Context:

The allotment per the State Allotments (WIOA Title I & ES Federal to State Allocations) report supports that the earmarking requirements are met. For the one report selected for testing, the Department was

**COMMONWEALTH OF MASSACHUSETTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

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

unable to provide evidence that the report was reviewed and approved to demonstrate compliance with the earmarking requirements. Therefore, auditors were unable to test the internal controls over the earmarking requirement.

Cause:

The Department was unable to provide documentation of the internal controls implemented to ensure it correctly reported compliance with earmarking requirements.

Effect:

Insufficient controls over earmarking requirements can result in undetected reporting errors and noncompliance with earmarking requirements.

Questioned costs:

None.

Recommendation:

We recommend the Department develop and document internal controls over reporting earmarking requirements to ensure that reports are accurate and that earmarking requirements are met.

Views of Responsible Officials:

Management agrees with the finding.

**COMMONWEALTH OF MASSACHUSETTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

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

Reference Number: 2023-009
Prior Year Finding: No
Federal Agency: U.S. Department of Labor
State Agency: Executive Office of Labor and Workforce Development
Federal Program: Employment Service Cluster
Assistance Listing Number: 17.207, 17.801
Award Number and Year: DV357862155525 (10/1/2020 – 12/31/2022), DV378592255525 (10/1/2021 – 12/31/2023)
Compliance Requirement: Reporting – VETS-402(A/B)
Type of Finding: Significant Deficiency in Internal Control Over Compliance, Other Matters

Criteria or Specific Requirement:

Compliance: VETS-402 (A/B), Expenditure Detail Report – This expenditure and staff utilization report separately identifies Jobs for Veterans State Grant-expenditures each quarter and year-to-date as a supplement to the DVOP and LVER SF 425, Federal Financial Reports.

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:

Reports submitted by the Executive Office of Labor and Workforce Development (the Department) did not agree with supporting documentation.

Context:

Four out of four quarterly reports were selected for testing. The following exceptions were noted:

- For one report, the Department submitted the original report which was required to be resubmitted by the U.S. Department of Labor due to a reporting error. The Department submitted a revised report but did not maintain documentation for the adjustments made to the specific line items within the revised report. Expenditure amount for both the original and revised reports did not agree to supporting documentation.
- For two reports, the expenditure amounts reported did not agree with supporting documentation.

Cause:

The Department's procedures were not sufficient to ensure that reports agreed with supporting documentation nor that it maintained supporting documentation for report revisions.

**COMMONWEALTH OF MASSACHUSETTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

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

Effect:

Insufficient procedures and internal controls over the reporting can result in undetected reporting errors.

Questioned costs:

Undetermined.

Recommendation:

We recommend the Department evaluate its procedures and internal controls over reporting to ensure that reports are accurately supported by documentation and substantiate the report balances.

Views of Responsible Officials:

Management agrees with the finding.

**COMMONWEALTH OF MASSACHUSETTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

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

Reference Number:	2023-010
Prior Year Finding:	2022-012
Federal Agency:	U.S. Department of Labor
State Agency:	Executive Office of Labor and Workforce Development
Federal Program:	WIOA Cluster, Employment Service Cluster
Assistance Listing Number:	17.258, 17.259, 17.278, 17.207, 17.801
Award Number and Year:	AA-38535-22-55-A-25 (7/1/2022 – 6/30/2025), AA-36325-21-55-A-25 (4/1/2021 – 6/30/2024), AA-34774-20-55-A-25 (4/1/2020 – 6/30/2023) ES333991955A25 (7/1/2019 – 9/30/2022), ES353492055A25 (7/1/2020 – 9/30/2023), ES367612155A25 (7/1/2021 – 9/30/2024), ES387362255A25 (7/1/2022 – 9/30/2025) DV357862155525 (10/1/2020 – 12/31/2022), DV378592255525 (10/1/2021 – 12/31/2023), 23555DV000008 (10/1/2022 – 12/31/2024)
Compliance Requirement:	Allowable Costs/Cost Principles – Time and Effort Reporting
Type of Finding:	Significant Deficiency in Internal Control Over Compliance, Other Matters

Criteria or Specific Requirement:

Compliance: Per 2 CFR § 200.430 (a), costs of compensation are allowable to the extent that they satisfy the specific requirements of this part, and that the total compensation for individual employees: (1) Is reasonable for the services rendered and conforms to the established written policy of the non-Federal entity consistently applied to both Federal and non-Federal activities; (2) Follows an appointment made in accordance with a non-Federal entity's laws or rules or written policies and meets the requirements of Federal statute, where applicable; and (3) Is determined and supported as provided in paragraph (i) of this section, Standards for Documentation of Personnel Expenses, when applicable.

Per 2 CFR § 200.430 (i), charges to federal awards for salaries and wages must be based on records that accurately reflect the work performed. These records must:

- Be supported by a system of internal control which provides reasonable assurance that the charges are accurate, allowable, and properly allocated,
- Be incorporated into the official records of the non-Federal entity,
- Reasonably reflect the total activity for which the employee is compensated by the non-Federal entity, not exceeding 100% of compensated activities,
- 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,
- Comply with the established accounting policies and practices of the non-Federal entity,

**COMMONWEALTH OF MASSACHUSETTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

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

- Support the distribution of the employee's salary or wages among specific activities or cost objectives if the employee works on more than one Federal award; a Federal award and non-Federal award; an indirect cost activity and a direct cost activity; two or more indirect activities which are allocated using different allocation bases; or an unallowable activity and a direct or indirect cost activity.

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) charged budgeted personnel costs to the program instead of actual costs due to errors coding employee timesheets.

Context:

Combination codes are used by employees to allocate and certify hours worked to Federal grants and employees' supervisors are required to perform a line-item review of hours spent on each grant before approving timesheets. If a timesheet is approved without the use of combination codes, the system defaults to budgeted grant allocations entered into the Labor Cost Management (LCM) module of the Massachusetts Management Accounting and Reporting System (MMARS).

Sixty timesheets were selected for testing for the WIOA Cluster. Two of sixty employee timesheets selected for testing did not use combination codes and the employee's time was defaulted to a budgeted grant allocation. Therefore, the amount charged to the program was not based on the employee's actual time and effort on the program.

Sixty timesheets were selected for testing for the Employment Service Cluster (ESC). The following exceptions were noted:

- Seven of sixty employee timesheets selected for testing did not use combination codes and the employee's time was defaulted to a budgeted grant allocation. Therefore, the amount charged to the program was not based on the employee's actual time and effort on the program.
- Two of sixty employee timesheets selected for testing charged costs to the program that did not relate to the ESC grant program.

Cause:

The Department's controls were not operating effectively to ensure that time and effort reporting was performed in accordance with federal requirements.

Effect:

Noncompliance occurred as payroll charges allocated to the grants were not reflective of actual activity for which the employees were compensated. Additionally, unallowable costs were charged to the ESC grant program through the use of combination codes not associated with the program.

**COMMONWEALTH OF MASSACHUSETTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

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

Questioned costs:

WIOA: Undetermined amount related to budgeted combination codes.

ESC: \$5,524, the amount charged to an unallowable combination code. Undetermined amount related to budgeted combination codes.

Recommendation:

The Department should update its procedures and controls and perform additional training over time and effort reporting to ensure that payroll costs charged to the program are based on actual time and effort and a combination code that is allowable under the program. The Department should not seek federal reimbursement unless it can substantiate that the time and effort was dedicated to the federal program.

Views of Responsible Officials:

Management agrees with the finding.

**COMMONWEALTH OF MASSACHUSETTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

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

Reference Number: 2023-011

Prior Year Finding: 2022-010

Federal Agency: U.S. Department of Labor

State Agency: Executive Office of Labor and Workforce Development

Federal Program: WIOA Cluster, Employment Service Cluster

Assistance Listing Number: 17.258, 17.259, 17.278, 17.207, 17.801

Award Number and Year: AA-36325-21-55-A-25 (7/1/2021 – 6/30/2024)
ES353492055A25 (7/1/2020 – 9/30/2023), ES367612155A25
(7/1/2021 – 9/30/2024), ES387362255A25 (7/1/2022 – 9/30/2025)

Compliance Requirement: Reporting – ETA 9130 – Financial Report

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

Criteria or Specific Requirement:

Compliance: ETA 9130, Financial Report – 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): Employment Service and Unemployment Insurance Programs (Employment Service Cluster) and Workforce Innovation and Opportunity Act (WIOA) 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 ESC or 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:

ETA 9130 financial reports submitted by the Executive Office of Labor and Workforce Development (the Department) did not agree to supporting documentation.

Context:

WIOA Cluster:

Fourteen of ninety-three quarterly reports were selected for testing. Two of fourteen reports selected for testing did not agree to supporting documentation.

**COMMONWEALTH OF MASSACHUSETTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

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

Employment Service Cluster:

Reports for the 9/30/2022 and 6/30/2023 quarters were selected for testing. Individual quarterly reports are submitted for each program and reporting level which resulted in selecting fourteen out of twenty-six individual reports. Five of fourteen reports selected for testing did not agree to supporting documentation.

Cause:

The Department's procedures were not sufficient to ensure that ETA 9130 reports were accurate and agreed with supporting documentation. Internal controls did not prevent or detect the errors.

Effect:

Incorrect data was reported which could misrepresent the State's financial performance in the program.

Questioned costs:

Undetermined.

Recommendation:

The Department should review its procedures to ensure that ETA 9130 reports are accurate and agree with supporting documentation. We further recommend that internal controls are enhanced to ensure that reports are reviewed for accuracy prior to submission.

Views of Responsible Officials:

Management agrees with the finding.

**COMMONWEALTH OF MASSACHUSETTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

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

Reference Number: 2023-012

Prior Year Finding: 2022-013

Federal Agency: U.S. Department of Labor

State Agency: Executive Office of Labor and Workforce Development

Federal Program: WIOA Cluster, Employment Service Cluster

Assistance Listing Number: 17.258, 17.259, 17.278, 17.207, 17.801

Award Number and Year: AA-38535-22-55-A-25 (7/1/2022 – 6/30/2025), AA-36325-21-55-A-25 (4/1/2021 – 6/30/2024), AA-34774-20-55-A-25 (4/1/2020 – 6/30/2023)
ES333991955A25 (7/1/2019 – 9/30/2022), ES353492055A25 (7/1/2020 – 9/30/2023), ES367612155A25 (7/1/2021 – 9/30/2024), ES387362255A25 (7/1/2022 – 9/30/2025)
DV-35786-21-55-5-25 (10/1/2020 – 12/31/2022), DV-37859-22-55-5-25 (10/1/2021 – 12/31/2023), 23555DV000008 (10/1/2022 – 12/31/2024)

Compliance Requirement: Subrecipient Monitoring

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

Criteria or Specific Requirement:

Compliance: 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 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.
- (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. Pass-through entity monitoring of the subrecipient must include:
 - (1) Reviewing financial and performance reports required by the pass-through entity.
 - (2) Following-up and ensuring that the subrecipient takes timely and appropriate action on all deficiencies pertaining to the Federal award provided to the subrecipient from the pass-through entity detected through audits, on-site reviews, and written confirmation from the subrecipient, highlighting the status of actions planned or taken to address Single Audit findings related to the particular subaward.
 - (3) Issuing a management decision for applicable audit findings pertaining only to the Federal award provided to the subrecipient from the pass-through entity as required by §200.521.

**COMMONWEALTH OF MASSACHUSETTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

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

- (4) The pass-through entity is responsible for resolving audit findings specifically related to the subaward and not responsible for resolving crosscutting findings. If a subrecipient has a current Single Audit report posted in the Federal Audit Clearinghouse and has not otherwise been excluded from receipt of Federal funding (e.g., has been debarred or suspended), the pass-through entity may rely on the subrecipient's cognizant audit agency or cognizant oversight agency to perform audit follow-up and make management decisions related to cross-cutting findings in accordance with section § 200.513(a)(3)(vii). Such reliance does not eliminate the responsibility of the pass-through entity to issue subawards that conform to agency and award-specific requirements, to manage risk through ongoing subaward monitoring, and to monitor the status of the findings that are specifically related to the subaward.

Per 2 CFR section 200.331 - Subrecipient and contractor determinations states, in part, that a pass-through entity must make case-by-case determinations whether each agreement it makes for the disbursement of Federal program funds casts the party receiving the funds in the role of a subrecipient or a contractor.

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 (Department) omitted required federal award information from subawards it issued from the programs and did not adequately monitor subrecipients.

Context:

WIOA Cluster:

Six out of eighteen subrecipients were selected for testing. The following exceptions were noted:

- For 6 of 6 subawards issued, the Federal Award Identification Number (FAIN) and Federal award date of award to the recipient by the Federal agency were not included on the subaward agreement.
- For 1 of 6 subrecipients selected for testing, no subaward monitoring was performed during the audit period.
- For 1 of 6 subrecipients selected for testing, subaward monitoring was not completed in accordance with the Department's policy.
- For 1 of 6 subrecipients selected for testing, a determination on whether the entity was a subrecipient was unable to be made based on the documentation provided.
- One subrecipient was excluded from subrecipient testing based on auditor analysis that the entity did not meet the definition of a subrecipient. The Schedule of Expenditures of Federal Awards was not adjusted to reflect the classification change.

**COMMONWEALTH OF MASSACHUSETTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

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

Employment Service Cluster:

Five out of sixteen subrecipients were selected for testing. The following exceptions were noted:

- For 5 of 5 subawards issued, the Federal Award Identification Number (FAIN) and the Federal award date of award to the recipient by the Federal agency were not included on the subaward agreement.

Cause:

The Department's procedures were not sufficient to ensure that subawards included all required information nor that subrecipient monitoring was completed in accordance with the requirements of the federal programs.

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 conduct adequate subrecipient monitoring may result in a failure of the Department to detect that subawards were used for unauthorized purposes, were managed in violation of the terms and conditions of the subawards, or that subaward performance goals were not achieved. There is an increased risk that subrecipients could be inappropriately spending and/or inaccurately tracking and reporting federal funds over multiple year periods, and these discrepancies may not be properly monitored, detected, and corrected by Department personnel on a timely basis.

Questioned costs:

WIOA Cluster: Undetermined

Employment Service Cluster: None

Recommendation:

We recommend the Department review and enhance internal controls and procedures to ensure that required information is included in its subawards. We also recommend the Department review and enhance its internal controls and procedures to ensure subrecipient monitoring is performed in compliance with the requirements of the federal programs.

Views of Responsible Officials:

Management agrees with the finding.

**COMMONWEALTH OF MASSACHUSETTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

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

Reference Number:	2023-013
Prior Year Finding:	2022-011
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-38535-22-55-A-25 (7/1/2022 – 6/30/2025), AA-36325-21-55-A-25 (4/1/2021 – 6/30/2024), AA-34774-20-55-A-25 (4/1/2020 – 6/30/2023)
Compliance Requirement:	Reporting – Federal Funding Accountability and Transparency Act (FFATA)
Type of Finding:	Material Weakness in Internal Control Over Compliance, Material Noncompliance

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 \$25,000,000 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, 2023**

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

Condition:

The Executive Office of Labor and Workforce Development (Department) did not report subaward information to FSRS on a timely basis.

Context:

Six out of seventeen subawards were selected for testing. These six subawards were modified between one and five times after the initial award, for a total of twenty-seven transactions tested. Twenty-six of twenty-seven transactions tested were not submitted timely, ranging from four to eleven months late.

In addition, the Department was unable to produce documentation supporting their review and approval of the tested FFATA reports prior to submission in the FSRS system.

Transactions Tested	Subaward not reported	Report not timely	Subaward amount incorrect	Subaward missing key elements
27	0	26	0	0
Dollar Amount of Tested Transactions	Subaward not reported	Report not timely	Subaward amount incorrect	Subaward missing key elements
\$13,631,685	\$0	\$13,631,686	\$0	\$0

Cause:

The Department's procedures and controls were not sufficient to ensure that subawards were reported timely to FSRS and were reviewed and approved prior to submission.

Effect:

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

Questioned costs:

None.

Recommendation:

The Department should implement procedures and internal controls to ensure that all required subawards are reviewed, approved and subsequently reported timely to FSRS no later than the end of the month following the month of issuance. Documentation of implemented controls should be readily available for auditors.

Views of Responsible Officials:

Management agrees with the finding.

**COMMONWEALTH OF MASSACHUSETTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

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

Reference Number: 2023-014
Prior Year Finding: No
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-38535-22-55-A-25 (7/1/2022 – 6/30/2025), AA-36325-21-55-A-25 (4/1/2021 – 6/30/2024), AA-34774-20-55-A-25 (4/1/2020 – 6/30/2023)
Compliance Requirement: Earmarking
Type of Finding: Significant Deficiency in Internal Control Over Compliance, Other Matters

Criteria or Specific Requirement:

Compliance: Earmarking requirements for Statewide Activities include the following:

- (1) The governor shall reserve not more than 15 percent of each of the amounts allotted to the state Adult, Dislocated Worker, and Youth Activities for a fiscal year to carry out statewide activities under Section 129(b) or statewide employment and training activities for adults or dislocated workers under section 134(a) (Section 128(a), WIOA, 128 Stat. 1502).
- (2) Not more than 5 percent of the funds allotted to a state under Section 127(b)(1)(C) of WIOA shall be used by the state for administrative activities related to youth workforce investment and employment and training activities (Section 129(b)(3), WIOA, 128 Stat 1508).
- (3) The state must reserve for rapid response activities a portion of funds, up to 25 percent, allotted for dislocated workers. The funds are used to plan and deliver services to enable dislocated workers to transition to new employment as quickly as possible, following either a permanent closure or mass layoff, or a natural or other disaster resulting in a mass job relocation (20 CFR section 682.350; sections 133(a)(2) and 134(a)(2)(A), WIOA, 128 Stat. 1516 and 1520).

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 properly report compliance with the program’s earmarking requirements.

Context:

Twelve reports were selected for testing of earmarking requirements. The selected reports included five each for Statewide Activities requirement numbers 1 and 2 and two reports for Statewide Activities requirement number 3. The following exceptions were noted:

**COMMONWEALTH OF MASSACHUSETTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

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

- Statewide Activities requirement 1: For 1 of 5 reports selected, the amount reported exceeded the allowable 15% cap, however, supporting documentation indicated that the Department did not exceed the 15% allowable amount. The Department corrected the reported amount for this earmark on a subsequent report after the error was identified by auditors.
- Statewide Activities requirement 2: For 1 of 5 reports selected, a copy of the certified report was not maintained and available for auditor review. The ETA-9130 reports are prepared by the Department's budget team and reviewed and certified by the Department's federal grants director and the Department's budget director. As part of this review process, earmarking requirements are reviewed to ensure compliance with federal regulations. The Department did not adhere to its standard operating procedures to maintain a copy of the certified report at the time of submission.

Cause:

Internal controls were not sufficient to ensure that the Department correctly reported its compliance with earmarking requirements nor that it maintained copies of certified reports per its standard operating procedures.

Effect:

Internal controls were not properly implemented over the reporting of earmarking requirements which resulted in undetected reporting errors.

Questioned costs:

Unable to determine.

Recommendation:

We recommend the Department review and enhance its controls over reporting earmarking requirements to ensure that reports are accurate and compliant, that the Department maintains copies of certified reports, and that reports are readily available for audit.

Views of Responsible Officials:

Management agrees with the finding.

**COMMONWEALTH OF MASSACHUSETTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

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

Reference Number:	2023-015
Prior Year Finding:	No
Federal Agency:	U.S. Department of the Treasury
State Agency:	Executive Office of Housing and Livable Communities
Federal Program:	COVID-19 – Emergency Rental Assistance Program
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:	Subrecipient Monitoring
Type of Finding:	Material Weakness in Internal Control Over Compliance, Material Noncompliance

Criteria or Specific Requirement:

Compliance: 2 CFR section 200.332(a) - Requirements for Pass-Through Entities states, in part, that all pass-through entities must ensure that every subaward is clearly identified to the subrecipient as a subaward and includes 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.

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 Housing and Livable Communities (Department) omitted required federal award information from subawards it issued from the program.

Context:

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

- For 8 of 8 subawards issued, the Federal Award Identification Number (FAIN) and the Federal award date of award to the recipient by the Federal agency were not included on the subaward agreements.
- For 7 of 8 subawards issued, the name of the Federal awarding agency, pass-through entity, and contact information for the awarding official of the pass-through entity were not included on the subaward agreements.
- For 3 of 8 subawards issued, the assistance listing number and program title were not included on the subaward agreements.

**COMMONWEALTH OF MASSACHUSETTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

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

Cause:

The Department's procedures were not sufficient to ensure that subawards included all required information. Internal controls did not detect or prevent the errors.

Effect:

The Commonwealth was not in compliance with 2 CFR section 200.332(a). 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.

Questioned costs:

None.

Recommendation:

We recommend the Department review and enhance internal controls and procedures to ensure that required information is included in its subawards.

Views of Responsible Officials:

Management agrees with the finding.

**COMMONWEALTH OF MASSACHUSETTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

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

Reference Number:	2023-016
Prior Year Finding:	No
Federal Agency:	U.S. Department of the Treasury
State Agency:	Executive Office of Housing and Livable Communities
Federal Program:	COVID-19 – Emergency Rental Assistance Program
Assistance Listing Number:	21.023
Award Number and Year:	ERA-2 (5/1/2021 – 9/30/2025)
Compliance Requirement:	Eligibility
Type of Finding:	Significant Deficiency in Internal Control Over Compliance, Other Matters

Criteria or Specific Requirement:

Compliance: Per Frequently Asked Questions program guidance provided by the U.S. Department of the Treasury, a grantee may only use the funds provided in the Emergency Rental Assistance (ERA) program to provide financial assistance and housing stability services to eligible households. To be eligible, a household must be obligated to pay rent on a residential dwelling and the grantee must determine that:

- a. One or more individuals within the household has qualified for unemployment benefits or experienced a reduction in household income, incurred significant costs, or experienced other financial hardship during or due, directly or indirectly, to the coronavirus pandemic;
- b. One or more individuals within the household can demonstrate a risk of experiencing homelessness or housing instability; and
- c. The household is a low-income family (as such term is defined in section 3(b) of the United States Housing Act of 1937 (42 U.S.C. 1437a(b))).

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 Housing and Livable Communities (Department) provided program assistance to an ineligible participant of the program.

Context:

For one of sixty participants tested, the household income was incorrectly calculated. It was subsequently determined that the participant was ineligible to receive assistance under the program.

**COMMONWEALTH OF MASSACHUSETTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

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

Cause:

In this instance, the Department's procedures for the determination of eligibility were not properly implemented by the vendor to ensure that household income was properly calculated, and that assistance was provided only to eligible participants.

Effect:

Noncompliance with eligibility requirements occurred as the Department paid benefits to an ineligible participant of the program.

Questioned costs:

\$5,822, the amount paid to an ineligible participant of the program.

Recommendation:

We recommend the Department work with their vendor who is determining eligibility to ensure procedures and controls are implemented to properly calculate household income and only provide assistance to eligible participants.

Views of Responsible Officials:

Management agrees with the finding.

**COMMONWEALTH OF MASSACHUSETTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

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

Reference Number:	2023-017
Prior Year Finding:	No
Federal Agency:	U.S. Department of Education
State Agency:	Department of Elementary and Secondary Education
Federal Program:	Title I Grants to Local Educational Agencies
Assistance Listing Number:	84.010
Award Number and Year:	S010A210021 (7/1/2021 – 9/30/2022), S010A220021 (7/1/2022 – 9/30/2023)
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 \$25,000,000 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, 2023**

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

Condition:

The Department of Elementary and Secondary Education (Department) did not report subaward information to FSRS timely during FY 2023.

Context:

Seventeen of forty subawards selected for testing were not reported timely to FSRS during FY 2023. Subawards were reported from 1 to 5 days late.

Transactions Tested	Subaward not reported	Report not timely	Subaward amount incorrect	Subaward missing key elements
40	0	17	0	0
Dollar Amount of Tested Transactions	Subaward not reported	Report not timely	Subaward amount incorrect	Subaward missing key elements
\$14,853,901	\$0	\$2,727,740	\$0	\$0

Cause:

The Department's procedures and controls were not sufficient to ensure that subawards were reported timely to FSRS during FY 2023.

Effect:

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

Questioned costs:

None noted.

Recommendation:

We recommend the Department establish procedures and internal controls 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 of each subaward.

Views of Responsible Officials:

Management agrees with the finding.

**COMMONWEALTH OF MASSACHUSETTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

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

Reference Number:	2023-018
Prior Year Finding:	2022-017
Federal Agency:	U.S. Department of Education
State Agency:	Department of Elementary and Secondary Education
Federal Program:	COVID-19 – Elementary and Secondary School Emergency Relief Fund (ESSER)
Assistance Listing Number:	COVID-19 – American Rescue Plan – Elementary and Secondary School Emergency Relief (ARP ESSER) 84.425D, 84.425U
Award Number and Year:	S425D210025 (1/5/2021 – 9/30/2022) 8425D200025 (5/4/2020 – 9/30/2021) S425U210025 (3/4/2021 – 9/30/2023)
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 \$25,000,000 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

**COMMONWEALTH OF MASSACHUSETTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

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

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 of Elementary and Secondary Education (Department) did not report subaward information to FSRS timely during FY 2023.

Context:

Twelve of sixty subawards selected for testing were not reported timely to FSRS during FY 2023. Subawards, which include subaward amendments, were reported from 1 to 242 days late.

Transactions Tested	Subaward not reported	Report not timely	Subaward amount incorrect	Subaward missing key elements
60	0	23	0	0
Dollar Amount of Tested Transactions	Subaward not reported	Report not timely	Subaward amount incorrect	Subaward missing key elements
\$11,376,149	\$0	\$24,029,226	\$0	\$0

Cause:

The Department’s procedures and controls were not sufficient to ensure that subawards were reported timely to FSRS during FY 2023.

Effect:

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

Questioned costs:

None noted.

Recommendation:

We recommend the Department establish procedures and internal controls 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 of each subaward.

Views of Responsible Officials:

Management agrees with the finding.

**COMMONWEALTH OF MASSACHUSETTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

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

Reference Number:	2023-019
Prior Year Finding:	No
Federal Agency:	U.S. Department of Education
State Agency:	Massachusetts Executive Office of Education
Federal Program:	COVID-19 – Governor’s Emergency Education Relief (GEER) Fund
Assistance Listing Number:	84.425C
Award Number and Year:	S425C200005 (5/4/2020 – 9/30/2021)
Compliance Requirement:	Subrecipient Monitoring
Type of Finding:	Significant Deficiency in Internal Control Over Compliance, Other Matters

Criteria or Specific Requirement:

Compliance: 2 CFR section 200.332(a) Requirements for Pass-Through Entities states, in part, that all pass-through entities must ensure that every subaward is clearly identified to the subrecipient as a subaward and includes 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.

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 of Elementary and Secondary Education (Department) was unable to provide documentation that subawards it issued contained all required federal information.

Context:

One of sixty subawards selected for testing did not include the following required information:

- Federal Award Identification Number (FAIN),
- Federal Award Date of award to the recipient by the Federal agency,
- Subaward Period of Performance Start and End Date,
- Subaward Budget Period Start and End Date,
- Name of Federal awarding agency, pass-through entity, and contact information for awarding official of the Pass-through entity,
- Assistance Listing number and Title.

**COMMONWEALTH OF MASSACHUSETTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

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

Cause:

The Department's procedures and controls were not sufficient to ensure that it issued subawards in compliance with federal requirements.

Effect:

Excluding the 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.

Questioned costs:

None noted.

Recommendation:

The Department should review and enhance internal controls and procedures to ensure that all required information is included in all subawards.

Views of Responsible Officials:

Management agrees with the finding.

**COMMONWEALTH OF MASSACHUSETTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

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

Reference Number:	2023-020
Prior Year Finding:	No
Federal Agency:	U.S. Department of Health and Human Services
State Agency:	Executive Office of Elders Affairs
Federal Program:	Aging Cluster
Assistance Listing Number:	93.044, 93.045, 93.053
Award Number and Year:	2101MASSC6, 2101MACMC6, 2101MAHDC6 and 2021 (COVID-19) 2001MAHDC3, 2001MASSC3 and 2020 (COVID-19) 2201MAOANS-03 and 2022 2301MAOANS-03 and 2023 2201MAOASS and 2022 2301MAOASS and 2023 2201MAOACM and 2022 2301MAOACM and 2023 2201MAOAH and 2022 2301MAOAH and 2023
Compliance Requirement:	Reporting – Federal Funding Accountability and Transparency Act (FFATA)
Type of Finding:	Material Weakness in Internal Control Over Compliance, Material Noncompliance

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 \$25,000,000 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.)

**COMMONWEALTH OF MASSACHUSETTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

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 Executive Office of Elders Affairs (Department) did not report subaward information to FSRS during FY 2023.

Context:

None of the seven subawards selected for testing were reported to FSRS during FY 2023. Total subawards selected were \$23,692,202 and \$0 was reported as required by FFATA requirements.

Transactions Tested	Subaward not reported	Report not timely	Subaward amount incorrect	Subaward missing key elements
7	7	0	0	0
Dollar Amount of Tested Transactions	Subaward not reported	Report not timely	Subaward amount incorrect	Subaward missing key elements
\$23,692,202	\$23,692,202	\$0	\$0	\$0

Cause:

The Department’s procedures and controls were not sufficient to ensure that subawards were reported to FSRS during FY 2023.

Effect:

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

Questioned costs:

None noted.

Recommendation:

We recommend the Department establish procedures and internal controls 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 of each subaward.

Views of Responsible Officials:

Management agrees with the finding.

**COMMONWEALTH OF MASSACHUSETTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

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

Reference Number:	2023-021
Prior Year Finding:	No
Federal Agency:	U.S. Department of Health and Human Services
State Agency:	Executive Office of Elders Affairs
Federal Program:	Aging Cluster
Assistance Listing Number:	93.044, 93.045, 93.053
Award Number and Year:	2101MASSC6, 2101MACMC6, 2101MAHDC6 and 2021 (COVID-19) 2001MAHDC3, 2001MASSC3 and 2020 (COVID-19) 2201MAOANS-03 and 2022 2301MAOANS-03 and 2023 2201MAOASS and 2022 2301MAOASS and 2023 2201MAOACM and 2022 2301MAOACM and 2023 2201MAOAHD and 2022 2301MAOAHD and 2023
Compliance Requirement:	Earmarking- Administrative Costs
Type of Finding:	Significant Deficiency in Internal Control Over Compliance, Other Matters

Criteria or Specific Requirement:

Compliance: Overall expenditures for administration are determined by the State agency's status as set forth below, unless a waiver is granted by the assistant secretary for aging (42 USC 3028 (b)):

A State agency which serves a State with multiple planning and service areas, not listed in (1)(b) below, shall have available the greater of 5 percent or \$750,000 of the total Title III award (42 USC 3028(b)(2)(A));

After a state determines the amount to be applied to state plan administration under 42 USC 3028 (b), the state may:

- (a) Use up to (and including) 10 percent of that amount available for the administration of area plans where the state calculates the 10 percent based on the amount remaining after deducting the amount to be applied to state plan administration (42 USC 3024(d)(1)(A)); and
- (b) Use any amounts available to the state for state plan administration which the state determines are not needed for that purpose to supplement the amount available for administration of area plans (42 USC 3028(a)(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).

**COMMONWEALTH OF MASSACHUSETTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

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

Condition:

The Executive Office of Elders Affairs (Department) calculation to determine the 5% administrative earmark contained grant awards for ALN 93.043, and 93.052 which are not part of the federal aging cluster. This error resulted in the Department over spending administrative costs, for the aging cluster, by \$105,694.

Context:

The 5% threshold for administrative cost is based on current year awards (non- COVID-19), two of five grant awards were incorrectly included in the threshold calculation.

Questioned costs:

\$105,694 reflects the administrative costs over the 5% threshold.

Cause:

The Department manages and combines the grants supporting the aging program when determining the 5% earmark threshold, two of the federal grants supporting the aging program are not part of the federal cluster.

Effect:

The Department is not in compliance with the earmark requirement.

Recommendation:

The Department should review and enhance internal controls and procedures to ensure that the federal requirements are performed for the applicable grants.

Views of Responsible Officials:

Management agrees with the finding.

**COMMONWEALTH OF MASSACHUSETTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

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

Reference Number:	2023-022
Prior Year Finding:	No
Federal Agency:	U.S. Department of Health and Human Services
State Agency:	Executive Office of Elders Affairs
Federal Program:	Aging Cluster
Assistance Listing Number:	93.044, 93.045, 93.053
Award Number and Year:	2101MASSC6, 2101MACMC6, 2101MAHDC6 and 2021 (COVID-19) 2001MAHDC3, 2001MASSC3 and 2020 (COVID-19) 2201MAOANS-03 and 2022 2301MAOANS-03 and 2023 2201MAOASS and 2022 2301MAOASS and 2023 2201MAOACM and 2022 2301MAOACM and 2023 2201MAOAHD and 2022 2301MAOAHD and 2023
Compliance Requirement:	Subrecipient Monitoring- Subaward Agreement
Type of Finding:	Significant Deficiency in Internal Control Over Compliance, Other Matters

Criteria or Specific Requirement:

Compliance: 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 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.
- (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. Pass-through entity monitoring of the subrecipient must include:
 - (1) Reviewing financial and performance reports required by the pass-through entity.
 - (2) Following-up and ensuring that the subrecipient takes timely and appropriate action on all deficiencies pertaining to the Federal award provided to the subrecipient from the pass-through entity detected through audits, on-site reviews, and other means.
 - (3) Issuing a management decision for audit findings pertaining to the Federal award provided to the subrecipient from the pass-through entity as required by § 200.521 Management decision.

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

**COMMONWEALTH OF MASSACHUSETTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

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

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 Elders Affairs’ (Department) subawards did not contain all required federal information. We noted that the Federal Award Identification Number (FAIN) and federal award dates were not provided to the subrecipients.

Context:

Seven of the seven subawards selected for testing did not contain the Federal Award Identification Number (FAIN) and Federal Award Date.

Questioned costs:

None noted.

Cause:

The Department utilizes a standard subaward that was not updated to include all federal subaward requirements.

Effect:

Excluding the 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.

Recommendation:

The Department should review and enhance internal controls and procedures to ensure that all required information is included in all subaward agreements.

Views of Responsible Officials:

Management agrees with the finding.

**COMMONWEALTH OF MASSACHUSETTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

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

Reference Number: 2023-023

Prior Year Finding: No

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

State Agency: Department of Public Health

Federal Program: Immunization Cooperative Agreements, COVID-19 - Immunization Cooperative Agreements

Assistance Listing Number: 93.268

Award Number and Year: 5 NH23IP922629-03 and 7/1/2019-6/30/2024
5 NH23IP922629-05 and 7/1/2019-6/30/2024
6 NH23IP922629-01 and 7/1/2019-6/30/2024
6 NH23IP922629-02 and 7/1/2019-6/30/2024
6 NH23IP922629-02 and 7/1/2019-6/30/2024
6 NH23IP922629-02 and 7/1/2019-6/30/2024
6 NH23IP922629-02 and 7/1/2019-6/30/2024
6 NH23IP922629-04 and 7/1/2019-6/30/2024

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

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

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 \$25,000,000 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

**COMMONWEALTH OF MASSACHUSETTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

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

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 of Public Health (Department) did not report subaward information to FSRS during FY 2023.

Context:

None of the eight subawards selected for testing were reported to FSRS during FY 2023. Total subawards selected were \$11,088,762, and \$0 was reported as required by FFATA requirements.

Transactions Tested	Subaward not reported	Report not timely	Subaward amount incorrect	Subaward missing key elements
8	8	0	0	0
Dollar Amount of Tested Transactions	Subaward not reported	Report not timely	Subaward amount incorrect	Subaward missing key elements
\$11,088,762	\$11,088,762	\$0	\$0	\$0

Cause:

The Department’s procedures and controls were not sufficient to ensure that subawards were reported to FSRS during FY 2023.

Effect:

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

Questioned costs:

None noted.

Recommendation:

We recommend the Department establish procedures and internal controls 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 of each subaward.

Views of Responsible Officials:

Management agrees with the finding.

**COMMONWEALTH OF MASSACHUSETTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

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

Reference Number:	2023-024
Prior Year Finding:	No
Federal Agency:	U.S. Department of Health and Human Services
State Agency:	Office for Refugees and Immigrants (ORI)
Federal Program:	Refugee and Entrant Assistance State Administered Programs
Assistance Listing Number:	93.566
Award Number and Year:	2301MARCMA 00-02 and 10/1/2022-9/30/2023 2303MARCSSS 00-04 and 10/1/2022-9/30/2024
Compliance Requirement:	Subrecipient Monitoring- Subaward Agreement
Type of Finding:	Significant Deficiency in Internal Control Over Compliance, Other Matters

Criteria or Specific Requirement:

Compliance: 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 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.
- (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. Pass-through entity monitoring of the subrecipient must include:
 - (1) Reviewing financial and performance reports required by the pass-through entity.
 - (2) Following-up and ensuring that the subrecipient takes timely and appropriate action on all deficiencies pertaining to the Federal award provided to the subrecipient from the pass-through entity detected through audits, on-site reviews, and other means.
 - (3) Issuing a management decision for audit findings pertaining to the Federal award provided to the subrecipient from the pass-through entity as required by § 200.521 Management decision.

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, 2023**

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

Condition:

The Office for Refugees and Immigrants (ORI) subawards did not contain all required federal information. We noted that the Federal Award Identification Number (FAIN) was not provided to the subrecipients.

Context:

Ten of the ten subawards selected for testing did not contain the Federal Award Identification Number (FAIN).

Questioned costs:

Undetermined.

Cause:

The Department utilizes a standard subaward that was not updated to include all federal subaward requirements.

Effect:

Excluding the 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.

Recommendation:

The Department should review and enhance internal controls and procedures to ensure that all required information is included in all subaward agreements.

Views of Responsible Officials:

Management agrees with the finding.

**COMMONWEALTH OF MASSACHUSETTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

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

Reference Number:	2023-025
Prior Year Finding:	No
Federal Agency:	U.S. Department of Health and Human Services
State Agency:	Department of Public Health (DPH)
Federal Program:	Refugee and Entrant Assistance State Administered Programs (Refugee) Opioid-STR Block Grants for Prevention and Treatment of Substance Abuse, COVID-19 - Block Grants for Prevention and Treatment of Substance Abuse (SABG)
Assistance Listing Number:	93.566, 93.788, 93.959
Award Number and Year:	Refugee: ISAORIRHAP0826DPH22D and 10/1/2021-9/30/22 ISAORIRHAP0826DPH23B and 10/1/2021-9/30/22 ISAORIRHAP0826DPH23C and 10/1/2021-6/30/23 ISAORIRHAP0826DPH23D and 12/4/2023-6/30/23 Opioid: 1H79TI083328 (9/30/2020 – 9/29/2021) 5H79TI083328 (9/30/2021 – 9/29/2022) 6H79TI083328 (9/30/2021 – 9/29/2023) 1H79TI085778 (9/30/2021 – 9/29/2023) SABG: 1B08TI083946-01 and 9/1/2021-9/30/2025 08TI08350200-01 and 3/15/2021-3/14/2024 1B08TI084650-01 and 10/1/2021-9/30/2023 1B08TI085812-01 and 10/1/2021-9/30/2024 1B08TI083455-01 and 10/1/2020-9/30/2022
Compliance Requirement:	Subrecipient Monitoring- Subaward Agreement
Type of Finding:	Significant Deficiency in Internal Control Over Compliance, Other Matters

Criteria or specific requirement:

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

- (b) Ensure that every subaward is clearly identified to the subrecipient as a subaward and includes 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.
- (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. Pass-through entity monitoring of the subrecipient must include:
 - (1) Reviewing financial and performance reports required by the pass-through entity.

**COMMONWEALTH OF MASSACHUSETTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

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

- (2) Following-up and ensuring that the subrecipient takes timely and appropriate action on all deficiencies pertaining to the Federal award provided to the subrecipient from the pass-through entity detected through audits, on-site reviews, and other means.
- (3) Issuing a management decision for audit findings pertaining to the Federal award provided to the subrecipient from the pass-through entity as required by § 200.521 Management decision.

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 of Public Health (Department) subawards did not contain all required federal information. We noted that the Federal Award Identification Number (FAIN) and federal award date were not provided to the subrecipient.

Context:

Refugee: Five of the five subawards selected for testing did not contain the Federal Award Identification Number (FAIN) and Federal Award Date.

Opioid: Twelve of the twelve subawards selected for testing were missing the Federal Award Identification Number (FAIN) and the Federal Award Date.

SABG: Eleven of the eleven subawards selected for testing did not contain the Federal Award Identification Number (FAIN) and Federal Award Date.

Questioned costs:

None

Cause:

The Department utilizes a standard subaward that was not updated to include all federal subaward requirements.

Effect:

Excluding the 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.

Recommendation:

The Department should review and enhance internal controls and procedures to ensure that all required information is included in all subaward agreements.

Views of responsible officials:

Management agrees with the finding.

**COMMONWEALTH OF MASSACHUSETTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

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

Reference Number: 2023-026

Prior Year Finding: 2022-018

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

State Agency: Executive Office of Housing and Livable Communities

Federal Program: Low-Income Home Energy Assistance,
COVID-19 – Low-Income Home Energy Assistance

Assistance Listing Number: 93.568

Award Number and Year: 2101MAE5C6 (3/11/2021 – 9/30/2022)
2101MALIEA (10/10/2020 – 9/30/2022)
2201MALIE4 (10/1/2021 – 9/30/2023)
2201MALIEA (10/1/2021 – 9/30/2023)
2201MALIEI (10/1/2021 – 9/30/2023)
2301MALIEA (10/1/2022 – 9/30/2024)
2301MALIEE (10/1/2022 – 9/30/2024)
2301MALIEI (10/1/2022 – 9/30/2024)

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

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

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 \$25,000,000 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

**COMMONWEALTH OF MASSACHUSETTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

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

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 Housing and Livable Communities (Department) did not report subaward information to FSRS during FY 2023.

Context:

None of the nine subawards selected for testing were reported to FSRS during FY 2023. Total subawards selected were \$78,964,930, and \$0 was reported as required by FFATA requirements.

Transactions Tested	Subaward not reported	Report not timely	Subaward amount incorrect	Subaward missing key elements
9	9	0	0	0
Dollar Amount of Tested Transactions	Subaward not reported	Report not timely	Subaward amount incorrect	Subaward missing key elements
\$78,964,930	\$78,964,930	\$0	\$0	\$0

Cause:

The Department’s procedures and controls were not sufficient to ensure that subawards were reported to FSRS during FY 2023.

Effect:

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

Questioned costs:

None noted.

Recommendation:

We recommend the Department establish procedures and internal controls 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 of each subaward.

Views of Responsible Officials:

Management agrees with the finding.

**COMMONWEALTH OF MASSACHUSETTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

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

Reference Number:	2023-027
Prior Year Finding:	2022-019
Federal Agency:	U.S. Department of Health and Human Services
State Agency:	Executive Office of Housing and Livable Communities
Federal Program:	Low-Income Home Energy Assistance, COVID-19 – Low-Income Home Energy Assistance
Assistance Listing Number:	93.568
Award Number and Year:	2101MAE5C6 (3/11/2021 – 9/30/2022) 2101MALIEA (10/10/2020 – 9/30/2022) 2201MALIE4 (10/1/2021 – 9/30/2023) 2201MALIEA (10/1/2021 – 9/30/2023) 2201MALIEI (10/1/2021 – 9/30/2023) 2301MALIEA (10/1/2022 – 9/30/2024) 2301MALIEE (10/1/2022 – 9/30/2024) 2301MALIEI (10/1/2022 – 9/30/2024)
Compliance Requirement:	Reporting – Special Reporting
Type of Finding:	Material Weakness in Internal Control Over Compliance, Material Noncompliance

Criteria or Specific Requirement:

Compliance: Annual Report on Households Assisted by LIHEAP (OMB No. 0970-0060) – As part of the application for block grant funds each year, a report is required for the preceding fiscal year of (1) the number and income levels of the households assisted for each component and any type of LIHEAP assistance (heating, cooling, crisis, and weatherization); and (2) the number of households served that contained young children, elderly, or persons with disabilities, or any vulnerable household for each component. Territories with annual allotments of less than \$200,000 and all Native American tribes are required to report only on the number of households served for each program component.

Quarterly Performance and Management Report (OMB No. 0970-0589) – Grant recipients must submit data and information about LIHEAP during the current fiscal year (FY) to the Federal LIHEAP Office; including success, challenges, needs and innovations. The quarterly reports focus on assisted households, performance management, obligation of funding, changes made due to anticipated increase in energy bills, collaboration with other utility programs, and training and technical assistance needs. The quarterly reports are due to the Federal LIHEAP Office one month after the end of each calendar 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).

**COMMONWEALTH OF MASSACHUSETTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

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

Condition:

Special reports submitted by the Executive Office of Housing and Livable Communities (Department) did not agree to supporting documentation. In addition, the Department did not submit special reports timely.

Context:

Exceptions were noted for 1 of 1 Annual Report on Households Assisted by LIHEAP and 2 of 2 Quarterly Performance and Management Reports selected for testing. Specifically, we noted the following exceptions:

- The Annual Report on Households Assisted by LIHEAP was not submitted timely. The report was due on December 30, 2022 but was not submitted until January 11, 2023, or 12 days late.
- Several line items on the Annual Report on Households Assisted by LIHEAP did not agree to supporting documentation. The Nominal Payments were underreported by 7.5% and the Number of Assisted Households by Poverty Interval was understated by 90%.
- Two of two Quarterly Performance and Management Reports selected for testing did not agree to supporting documentation. Specific line items that did not agree to supporting documentation are:
 - Section 1 – Total Households Assisted, Line 1 – Number of assisted households and Line 2 - Number of Assisted Households During the Same Period Last Year for the 9/30/2022 Quarterly Report
 - Section 2 – Performance Management, Line 1 - Number of Occurrences of households where LIHEAP prevented the loss of home energy and Line 2 - Number of Occurrences of households where LIHEAP restored home energy for the 9/30/2022 and 6/30/2023 Quarterly Reports

Questioned costs:

None.

Cause:

The Department's procedures were not sufficient to ensure that special reports were submitted timely nor that information was submitted accurately and agreed with supporting documentation. Internal controls were not sufficient to prevent or detect the errors prior to submission.

Effect:

Delays and inaccuracies in submission of special reports could impact the Federal agency's ability to manage the program, could result in delays in annual awards, and could result in possible penalties or sanctions imposed by the grantor.

Recommendation:

We recommend that the Department review and enhance its procedures and internal controls to ensure that special reports are submitted timely and accurately, and that the information reported agrees to supporting documentation.

Views of Responsible Officials:

Management agrees with the finding.

**COMMONWEALTH OF MASSACHUSETTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

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

Reference Number:	2023-028
Prior Year Finding:	No
Federal Agency:	U.S. Department of Health and Human Services
State Agency:	Executive Office of Housing and Livable Communities
Federal Program:	Low-Income Home Energy Assistance, COVID-19 – Low-Income Home Energy Assistance
Assistance Listing Number:	93.568
Award Number and Year:	2201MALIE4 (10/1/2021 – 9/30/2023) 2201MALIEA (10/1/2021 – 9/30/2023) 2201MALIEI (10/1/2021 – 9/30/2023) 2301MALIEA (10/1/2022 – 9/30/2024) 2301MALIEE (10/1/2022 – 9/30/2024) 2301MALIEI (10/1/2022 – 9/30/2024)
Compliance Requirement:	Subrecipient Monitoring
Type of Finding:	Significant Deficiency in Internal Control Over Compliance, Other Matters

Criteria or Specific Requirement:

Compliance: 2 CFR section 200.332(a) - Requirements for Pass-Through Entities states, in part, that all pass-through entities must ensure that every subaward is clearly identified to the subrecipient as a subaward and includes 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.

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 Housing and Livable Communities (Department) omitted required federal award information from subawards it issued from the program.

Context:

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

- For 9 of 9 subawards issued, the Federal award date of award to the recipient by the Federal agency was not included on the subaward agreement.
- For 4 of 9 subawards issued, the Federal Award Identification Number (FAIN) was not included on the subaward agreement.

**COMMONWEALTH OF MASSACHUSETTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

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

Cause:

The Department's procedures were not sufficient to ensure that subawards included all required information. Internal controls did not detect or prevent the errors.

Effect:

The Commonwealth was not in compliance with 2 CFR section 200.332(a). 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.

Questioned costs:

None.

Recommendation:

We recommend the Department review and enhance internal controls and procedures to ensure that required information is included in its subawards.

Views of Responsible Officials:

Management agrees with the finding.

**COMMONWEALTH OF MASSACHUSETTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

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

Reference Number:	2023-029
Prior Year Finding:	2022-020
Federal Agency:	U.S. Department of Health and Human Services
State Agency:	Executive Office of Health and Human Services
Federal Program:	Medicaid Cluster, COVID-19 – Medicaid Cluster
Assistance Listing Number:	93.775, 93.777, 93.778
Award Number and Year:	XIX-MAP22, XIX-MAP-23
Compliance Requirement:	Allowable Activities/Allowable Costs Special Tests and Provisions – Provider Eligibility and Provider Health and Safety Standards
Type of Finding:	Significant Deficiency in Internal Control Over Compliance, Other Matters

Criteria or Specific Requirement:

Compliance: To be allowable, Medicaid costs for medical services must be (1) covered by the state plan or CMS approved waivers/demonstrations; (2) reviewed by the state consistent with the state's documented procedures and system for determining medical necessity of claims; (3) properly coded; and (4) paid at the rate allowed by the state plan. Furthermore, beneficiaries must be eligible (or presumptively eligible) at the time of service, whether covered under fee-for-service or managed care. Additionally, Medicaid costs must be net of beneficiary cost-sharing obligations and applicable credits (e.g., insurance, recoveries from other third parties who are responsible for covering the Medicaid costs, and drug rebates), paid to eligible providers, and only provided on behalf of eligible individuals.

In order to receive Medicaid payments, providers must: (1) be licensed in accordance with federal, state, and local laws and regulations to participate in the Medicaid program (42 CFR 431.107 and 447.10; and Section 1902(a)(9) of the Act (42 USC 1396a(a)(9)); (2) screened and enrolled in accordance with 42 CFR Part 455, Subpart E (sections 455.400 through 455.470); and make certain disclosures to the state (42 CFR Part 455, Subpart B, sections 455.100 through 455.106). Medicaid managed care network providers are subject to the same disclosure, screening, enrollment, and termination requirements that apply to Medicaid fee-for-service providers in accordance with 42 CFR Part 438, Subpart H. States must also follow guidance issued in the Medicaid Provider Enrollment Compendium (MPEC) to enroll providers into their Medicaid programs.

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).

**COMMONWEALTH OF MASSACHUSETTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

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

Condition:

Claims were paid to providers whose eligibility was not properly documented. The Executive Office of Health and Human Services (Department) was unable to provide documentation to support that provider eligibility recertifications were performed timely, nor did it terminate a provider that failed to comply with eligibility requirements.

Context:

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

- For five of sixty providers selected for testing, the Department was unable to provide documentation to support that eligibility recertifications had been performed timely. The revalidations were not completed by the third-party administrator within the required five-year cycle.
- For one of sixty providers selected for testing, the provider failed to comply with eligibility requirements and the Department did not terminate the provider's services.

Cause:

The Department's procedures were not sufficient to ensure it maintained documentation to support the timely performance of provider eligibility recertifications nor to ensure that providers out of compliance with eligibility requirements were terminated. Internal controls did not prevent or detect the errors.

Effect:

Claims were paid to providers whose eligibility was not properly documented.

Questioned costs:

\$11,885, the amount of claims paid to ineligible providers.

Recommendation:

We recommend that the Department enhance its procedures and controls to ensure it maintains documentation to support the timely performance of provider eligibility recertifications, that providers out of compliance with eligibility requirements are terminated timely, and that claims are not paid to ineligible providers.

Views of Responsible Officials:

Management agrees with the finding.

**COMMONWEALTH OF MASSACHUSETTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

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

Reference Number:	2023-030
Prior Year Finding:	No
Federal Agency:	U.S. Department of Health and Human Services
State Agency:	Executive Office of Health and Human Services
Federal Program:	Medicaid Cluster, COVID-19 – Medicaid Cluster
Assistance Listing Number:	93.775, 93.777, 93.778
Award Number and Year:	XIX-MAP22, XIX-MAP-23
Compliance Requirement:	Special Tests and Provisions – ADP Risk Analysis and System Security Review
Type of Finding:	Material Weakness in Internal Control Over Compliance, Material Noncompliance

Criteria or Specific Requirement:

Compliance: Per 45 CFR 95.621, the State Medicaid Agency (SMA) must establish and maintain a program for conducting periodic risk analyses to ensure that appropriate and cost-effective safeguards are incorporated into new and existing systems. SMAs must perform risk analyses whenever significant system changes occur. SMAs shall review the Automated Data Processing (ADP) system security installations involved in the administration of U.S. Department of Health and Human Services (HHS) programs on a biennial basis. At a minimum, the reviews shall include an evaluation of physical and data security operating procedures, and personnel practices. The SMA shall maintain reports on its biennial ADP system security reviews, together with pertinent supporting documentation, for HHS on-site reviews. If risks or deficiencies are noted, the SMA must take corrective action to resolve the issues.

Control: Per 2 CFR section 200.303(a), the 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 be in compliance 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 Health and Human Services (Department) was unable to provide documentation that it had reviewed provider Service Organization Controls (SOC) reports.

Context:

For three of four ADP systems selected for testing, the Department was unable to provide documentation that the providers’ SOC reports had been reviewed nor that it followed up on findings identified in the reports.

Cause:

The Department’s procedures were not sufficient to ensure it maintained documentation to support the review of ADP system SOC reports and related follow-up.

**COMMONWEALTH OF MASSACHUSETTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

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

Effect:

Failure to develop and implement procedures to document review of ADP system SOC reports could leave the systems vulnerable to potential security risks. The Department is unable to provide assurance that the systems are adequately controlled nor that they properly safeguard sensitive Medicaid data.

Questioned costs:

Undetermined.

Recommendation:

We recommend that the Department enhance its procedures and controls to ensure that it reviews ADP system SOC reports on a timely basis and that it performs necessary follow-up actions on a timely basis. We further recommend that the Department maintains documentation of SOC report review and follow-up actions taken and that this documentation is readily available for audit.

Views of Responsible Officials:

Management agrees with the finding.

**COMMONWEALTH OF MASSACHUSETTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

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

Reference Number:	2023-031
Prior Year Finding:	No
Federal Agency:	U.S. Department of Health and Human Services
State Agency:	Executive Office of Health and Human Services
Federal Program:	Medicaid Cluster, COVID-19 – Medicaid Cluster
Assistance Listing Number:	93.775, 93.777, 93.778
Award Number and Year:	XIX-MAP22, XIX-MAP-23
Compliance Requirement:	Special Tests and Provisions – Medical Loss Ratio (MLR)
Type of Finding:	Significant Deficiency in Internal Control Over Compliance, Other Matters

Criteria or Specific Requirement:

Compliance: For all contracts, the state must ensure that each Managed Care Organization (MCO), Prepaid Inpatient Health Plan (PIHP), and Prepaid Ambulatory Health Plan (PAHP) submits a report with the data elements specified in 42 CFR sections 438.8(k) and 438.8(n). The report should contain the required 13 data elements in the regulation, reflect the correct reporting years, and contain an attestation of accuracy regarding the calculation of the medical loss ratio. Managed care plans are required to submit the annual report in the time and manner established by the state, which must be within 12 months after the end of the MLR reporting year. The state should have a policy and procedure to indicate when the report(s) are due from plans and should not accept multiple submissions from plans unless the capitation payments are revised retroactively.

Control: Per 2 CFR section 200.303(a), the 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 be in compliance 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 Health and Human Services (Department) did not ensure that all reports contained an attestation of accuracy regarding the calculation of the medical loss ratio.

Context:

For one of eight managed care organizations selected for testing, the report did not contain an attestation of the accuracy regarding the calculation of the medical loss ratio. The attestation was subsequently received after it was selected for audit.

Cause:

The Department's procedures were not sufficient to ensure that reports received from managed care providers were complete and contained an attestation statement of the accuracy of the calculation of the medical loss ratio.

**COMMONWEALTH OF MASSACHUSETTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

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

Effect:

The Department did not obtain assurance from the provider regarding the accuracy of the medical loss ratio calculation.

Questioned costs:

Undetermined.

Recommendation:

We recommend that the Department enhance its procedures and controls to ensure that reports submitted by its managed care providers include all required elements. If a report is incomplete, the Department should immediately follow-up with the provider to obtain the missing elements.

Views of Responsible Officials:

Management agrees with the finding.

**COMMONWEALTH OF MASSACHUSETTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

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

Reference Number:	2023-032
Prior Year Finding:	No
Federal Agency:	U.S. Department of Health and Human Services
State Agency:	Executive Office of Health and Human Services
Federal Program:	Medicaid Cluster, COVID-19 – Medicaid Cluster
Assistance Listing Number:	93.775, 93.777, 93.778
Award Number and Year:	XIX-MAP22, XIX-MAP-23
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: Pursuant to 1903(d)(2)(C) of the 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 9.C1-Fraud, Waste & Abuse Amounts, Line 9.C2-OIG Complaint False Claims Act, 9.D Other, 9.E. – RAC Collections, 9.F. – PERM Collections or 9.G. – MEQC Collections regardless of whether recovery is made from the provider. The state must credit the federal share to CMS as outlined under 42 CFR 433.320(a)(2) either in the quarter in which the recovery is made or in the quarter in which the one-year period following discovery ends, whichever is earlier, with limited exceptions. Under 42 CFR 433.316(d), for overpayments resulting from fraud, if not collected within one year of discovery, the SMA has until 30 days after the final judgment of a judicial or administrative appeals process to return the federal share.

Control: Per 2 CFR section 200.303(a), the 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 be in compliance 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:

Errors were made by the Executive Office of Health and Human Services (Department) when calculating the federal share of the overpayments to be returned on the CMS-64.

Context:

For six of thirty-two overpayments selected for testing, the federal share to be returned for the 6/30/2023, 9/30/2023 and 12/31/2023 quarters were calculated incorrectly due to spreadsheet errors. The amounts reported in Column A - Total Computable on Line 9C1 were understated by \$256,221 and the amounts reported in Column E - Total Federal Share on Line 9C1 were understated by \$140,922.

**COMMONWEALTH OF MASSACHUSETTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

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

Cause:

The Department's procedures were not sufficient to ensure that the spreadsheet used to calculate the federal share of overpayments to be returned was accurate. Internal controls did not prevent or detect the errors.

Effect:

The overpayments to be refunded were understated when reported on the CMS-64.

Questioned costs:

\$397,143, which represents the total understatement of the reported federal share of overpayments to be refunded.

Recommendation:

We recommend that the Department enhance its procedures and controls to ensure that the calculation of the federal share of overpayments to be returned is accurate and is properly reported on the CMS-64.

Views of Responsible Officials:

Management agrees with the finding.

**COMMONWEALTH OF MASSACHUSETTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

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

Reference Number:	2023-033
Prior Year Finding:	No
Federal Agency:	U.S. Department of Health and Human Services
State Agency:	Department of Public Health (DPH)
Federal Program:	Opioid-STR
Assistance Listing Number:	93.788
Award Number and Year:	1H79TI083328 (9/30/2020 – 9/29/2021) 5H79TI083328 (9/30/2021 – 9/29/2022) 6H79TI083328 (9/30/2021 – 9/29/2023) 1H79TI085778 (9/30/2021 – 9/29/2023)
Compliance Requirement:	Reporting – Federal Funding Accountability and Transparency Act (FFATA)
Type of Finding:	Material Weakness in Internal Control Over Compliance, Material Noncompliance

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.

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 of Public Health (Department) did not report subaward information to FSRS within thirty days after issuing the award. Due to documented issues with the process, we noted that the Department did not complete the reporting process prior to the end of the fiscal year. The Department’s first attempt to complete the reporting process was in October 2023, which was fiscal year 2024. Therefore, we did not select a sample for testing.

**COMMONWEALTH OF MASSACHUSETTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

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

Context:

None of the nine subawards selected for testing were reported to FSRs during FY 2023. Total subawards selected were \$60,394,558, and \$0 was reported as required by FFATA requirements.

Transactions Tested	Subaward not reported	Report not timely	Subaward amount incorrect	Subaward missing key elements
0	167	167	0	0
Dollar Amount of Tested Transactions	Subaward not reported	Report not timely	Subaward amount incorrect	Subaward missing key elements
\$60,394,558	\$60,394,558	\$0	\$0	\$0

Cause:

The Department's procedures and controls were not sufficient to ensure that subawards were reported to FSRs during FY 2023.

Effect:

Subawards were not reported to FSRs in accordance with FFATA requirements.

Questioned costs:

None noted.

Recommendation:

We recommend the Department establish procedures and internal controls 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 of each subaward.

Views of Responsible Officials:

Management agrees with the finding.

**COMMONWEALTH OF MASSACHUSETTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

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

Reference Number:	2023-034
Prior Year Finding:	No
Federal Agency:	U.S. Department of Health and Human Services
State Agency:	Department of Public Health (DPH)
Department:	Dukes County Sheriff's Office
Federal Program:	Opioid-STR
Assistance Listing Number:	93.788
Award Number and Year:	1H79TI083328 (9/30/2020 – 9/29/2021) 5H79TI083328 (9/30/2021 – 9/29/2022) 6H79TI083328 (9/30/2021 – 9/29/2023) 1H79TI085778 (9/30/2021 – 9/29/2023)
Compliance Requirement:	Allowable Cost/Cost Principles – Time and Effort Reporting
Type of Finding:	Significant Deficiency in Internal Control Over Compliance, Other Matters

Criteria or Specific Requirement:

Compliance: 2 CFR Section 200.430(l)(1) Standards for Documentation of Personnel Expenses states that: 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 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;
- (vi) Reserved
- (vii) Support the distribution of the employee's salary or wages among specific activities or cost objectives if the employee works on more than one Federal award; a Federal award and non-Federal award; an indirect cost activity and a direct cost activity; two or more indirect activities which are allocated using different allocation bases; or an unallowable activity and a direct or indirect cost activity.

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, 2023**

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

Condition:

The Dukes County Sheriff's Office (Department) was unable to provide supporting documentation for salaries and wages charged to the program and charged salaries and wages to the program that did not agree with supporting documentation.

Context:

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

- For 1 of 40 timesheets, the Department was unable to provide documentation that the timesheet had been reviewed and approved by the employee's supervisor.
- For 2 of 40 timesheets, the Department was unable to provide supporting documentation for the time and effort charged to the program.
- For 4 of 40 timesheets, 100% of the employees' time and effort was charged to the program, but supporting documentation indicated that actual time worked on the program was less than 100%.

Questioned costs:

\$7,587, which represents the amount charged to the program for which supporting documentation was unavailable.

\$5,383, which represents the difference between the supporting documentation and the amounts charged to the program.

Cause:

Controls were not operating effectively to ensure that time and effort reporting was performed and documented in accordance with federal requirements.

Effect:

There is an increased risk of charging unallowed payroll costs to the program.

Recommendation:

We recommend the Department enhance its procedures and internal controls, perform additional training over time and effort reporting, and ensure that documentation is maintained and readily available for audit. The Department should not seek federal reimbursement unless it can substantiate that the time and effort was dedicated to the federal program.

Views of Responsible Officials:

Management agrees with the finding.

**COMMONWEALTH OF MASSACHUSETTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

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

Reference Number:	2023-035
Prior Year Finding:	No
Federal Agency:	U.S. Department of Health and Human Services
State Agency:	Department of Public Health (DPH)
Federal Program:	Opioid-STR
Assistance Listing Number:	93.788
Award Number and Year:	1H79TI083328 (9/30/2020 – 9/29/2021) 5H79TI083328 (9/30/2021 – 9/29/2022) 6H79TI083328 (9/30/2021 – 9/29/2023) 1H79TI085778 (9/30/2021 – 9/29/2023)
Compliance Requirement:	Reporting – Government Performance and Results (GPRA) Reporting – Programmatic Progress Reports (PPR)
Type of Finding:	Significant Deficiency in Internal Control Over Compliance, Other Matters

Criteria or specific requirement:

Compliance: GPRA - All SAMHSA recipients are required to collect and report certain data so that SAMHSA can meet its obligations under the Government Performance and Results (GPRA) Modernization Act of 2010. This information will be gathered using SAMHSA's Performance Accountability and Reporting System (SPARS). Data is collected via face-to-face interview using this tool at three data collection points: intake to services, six months post intake, and at discharge. Recipients will be expected to do a GPRA interview on all clients in their specified unduplicated target number and are also expected to achieve a six-month follow-up rate of 80 percent. Recipients are also required to report program-level data on a quarterly basis in SPARS.

Recipients should enter their data within 1 day—but no later than 7 days—after the GPRA interview is conducted. This guidance applies to recipients who manually enter their data and batch upload their data. Recipients are required to report a series of data elements that will enable SAMHSA to determine the impact of the program on opioid use, and opioid-related morbidity and mortality.

Recipients are required to report client-level data on elements including but not limited to: demographic characteristics, substance use, diagnosis(es) services received, types of MOUD received; length of stay in treatment; employment status, criminal justice involvement, and housing. Additional data elements will also be required and will be provided upon award.

PPR- Recipients are required to submit Programmatic Progress Reports (PPR) at 6 months and 12 months. The six-month report is due no later than 30 days after the end of the second quarter of the budget period. The annual report is due within 90 days of the end of the budget period. Recipients are required to report on their progress addressing the goals and objectives identified in the Notice of Funding Opportunity, major accomplishments, progress achieved in addressing the needs of diverse populations, barriers encountered, and efforts to overcome these barriers.

Recipients are required, with each report, to document Administrative and Data Collection costs to ensure the costs are compliant and do not exceed the cap.

**COMMONWEALTH OF MASSACHUSETTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

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:

GPRA- The Department of Public Health (Department) was unable to provide documentation that the GPRA reports were adequately supported and that the Department submitted the report by the grantor’s due date.

The reports contain numerous data points which is submitted to the grantor in an electronic format. The Department did not maintain the original data files used to create the report, the original files were changed at the request of the grantor. As a result, CLA was unable to agree some of the reported data to the files provided by the Department.

In addition, the Department did not maintain documentation to support the timeliness of the submitted report.

PPR- The Department of Public Health (Department) was unable to provide documentation that the PPR reports were reasonably supported by documentation, nor that the Department was in compliance with the report due date. The Department did not maintain the original data files used to compile the report, CLA was unable to agree some of the reported information to the files provided by the Department. In addition, the Department did not maintain documentation to support the timeliness of the submitted report.

Context:

GPRA- Two of five quarterly reports selected for testing did not agree with supporting documentation, CLA was unable to test key line items.

Forty client-level reports were selected for testing, and the following exceptions were noted:

- For 6 of 40 client-level reports, the provided supporting documentation was the overwritten version-based edits made by the Department at the instruction of the grantor.
- For 6 of 40 client-level reports evidence of timely submission was not provided.

PPR- Three Programmatic Progress Reports were due during FY 2023 and were selected for testing. The following exceptions were noted:

- For 3 of 3 reports, documentation supporting the timeliness of submission was not provided. Therefore, auditors were unable to verify if the reports were submitted timely.
- For 3 of 3 reports, documentation that the reports had been reviewed and approved prior to submission was not provided.
- 3 of 3 reports did not agree with supporting documentation.

**COMMONWEALTH OF MASSACHUSETTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

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

Questioned costs:

None for GPRA and PPR, noncompliance did not affect the allowability of program costs or activities.

Cause:

The Department did not establish effective procedures or internal controls to maintain the original data files and evidence of the date of the submitted report.

Effect:

The Department was unable to support that the GPRA and PPR reports were filed timely, and that the accuracy of the reported data was adequately supported.

Recommendation:

We recommend the Department implement controls and procedures to ensure that the GPRA and PPR reports are submitted timely, are supported by adequate documentation, and that supporting documentation is maintained and is readily available for audit.

Views of responsible officials:

There is no disagreement with the audit finding.

**COMMONWEALTH OF MASSACHUSETTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

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

Reference Number: 2023-036

Prior Year Finding: No

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

State Agency: Department of Public Health (DPH)

Department: Hampden County Sheriff's Office

Federal Program: Opioid-STR

Assistance Listing Number: 93.788

Award Number and Year: 1H79TI083328 (9/30/2020 – 9/29/2021)
5H79TI083328 (9/30/2021 – 9/29/2022)
6H79TI083328 (9/30/2021 – 9/29/2023)
1H79TI085778 (9/30/2021 – 9/29/2023)

Compliance Requirement: Suspension and Debarment

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

Criteria or Specific Requirement:

Compliance: Non-federal entities are prohibited from contracting with or making subawards under covered transactions to parties that are suspended or debarred. "Covered transactions" include contracts for goods and services awarded under a non-procurement transaction (e.g., grant or cooperative agreement) that are expected to equal or exceed \$25,000 or meet certain other criteria as specified in 2 CFR section 180.220. All non-procurement transactions entered into by a pass-through entity (i.e., subawards to subrecipients), irrespective of award amount, are considered covered transactions, unless they are exempt as provided in 2 CFR section 180.215.

When a non-federal entity enters into a covered transaction with an entity at a lower tier, the non-federal entity must verify that the entity, as defined in 2 CFR section 180.995 and agency adopting regulations, is not suspended or debarred or otherwise excluded from participating in the transaction. This verification may be accomplished by (1) checking the System for Award Management (SAM) Exclusions maintained by the General Services Administration (GSA), (2) collecting a certification from the entity, or (3) adding a clause or condition to the covered transaction with that entity (2 CFR section 180.300).

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 Hampden County Sheriff's Office (Department) could not provide support that it ensured subrecipients were not suspended or debarred before issuing subawards to the entities.

**COMMONWEALTH OF MASSACHUSETTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

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

Context:

The suspension and debarment status for 1 of 20 subrecipients selected for testing was not documented.

Questioned costs:

There are no questioned costs related to this finding as the vendors were not federally suspended or debarred.

Cause:

The Department did not establish effective internal controls for maintaining sufficient evidence that a suspension and debarment check was completed before issuing subawards.

Effect:

If the suspension and debarment status of subrecipients is not verified when entering into covered transactions, it is possible that a subaward could be issued to an ineligible entity.

Recommendation:

We recommend the Department implement controls and procedures to ensure it maintains documentation of suspension and debarments checks and that the documentation is available for audit.

Views of Responsible Officials:

Management agrees with the finding.

**COMMONWEALTH OF MASSACHUSETTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

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

Reference Number:	2023-037
Prior Year Finding:	No
Federal Agency:	U.S. Department of Health and Human Services
State Agency:	Department of Public Health
Federal Program:	Block Grants for Prevention and Treatment of Substance Abuse, COVID-19 - Block Grants for Prevention and Treatment of Substance Abuse
Assistance Listing Number:	93.959
Award Number and Year:	1B08TI083946-01 and 9/1/2021-9/30/2025 08TI08350200-01 and 3/15/2021-3/14/2024 1B08TI084650-01 and 10/1/2021-9/30/2023 1B08TI085812-01 and 10/1/2021-9/30/2024 1B08TI083455-01 and 10/1/2020-9/30/2022
Compliance Requirement:	Reporting – Federal Funding Accountability and Transparency Act (FFATA)
Type of Finding:	Material Weakness in Internal Control Over Compliance, Material Noncompliance

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.

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).

The Department of Public Health (Department) did not report subaward information to FSRS within thirty days after issuing the award. Due to documented issues with the process, we noted that the Department did not complete the reporting process prior to the end of the fiscal year. The Department’s first attempt to complete the reporting process was in October 2023, which was fiscal year 2024. Therefore, we did not select a sample for testing.

**COMMONWEALTH OF MASSACHUSETTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

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

Context:

Nine of 74 subawards were selected for testing; none of which were reported to FSRS during FY 2023. Total subawards were \$18,671,925, and \$0 was reported as required by FFATA requirements.

Transactions Tested	Subaward not reported	Report not timely	Subaward amount incorrect	Subaward missing key elements
0	0	74	0	0
Dollar Amount of Tested Transactions	Subaward not reported	Report not timely	Subaward amount incorrect	Subaward missing key elements
\$18,671,925	\$18,671,925	\$0	\$0	\$0

Cause:

The Department's procedures and controls were not sufficient to ensure that subawards were reported to FSRS during FY 2023.

Effect:

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

Questioned costs:

None noted.

Recommendation:

We recommend the Department establish procedures and internal controls 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 of each subaward.

Views of Responsible Officials:

Management agrees with the finding.



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COMMONWEALTH OF MASSACHUSETTS

CORRECTIVE ACTION PLAN

Year Ended June 30, 2023

EXECUTIVE OFFICE OF LABOR AND WORKFORCE DEVELOPMENT

2023-001 Accounting and Financial Reporting – Unemployment Compensation Trust Fund

Action taken in response to the finding:

The following addresses all recommendations noted above. The Executive Office of Labor and Workforce Development (EOLWD) is committed to working on the recommendations noted above and has already begun addressing portions of them.

EOLWD engaged in several projects with consultants from August 2021 through February of 2023 to identify internal control improvements, process redesign and automation that would address the recommendations referred to in this document. On February 15, 2023, EOLWD eliminated the reporting issue that was causing the overdraft of federal funds, including the \$8 million overdraft referenced above.

EOLWD has undertaken a comprehensive review of the Finance department's functions and policies and procedures. EOLWD worked with a consultant through December 2023 to assess the department's risks and opportunities in more detail, including internal control measures and organizational enhancements, and is in the process of integrating the consultant's recommendations into the department's functions to streamline processes and mitigate the risk for untimely or inaccurate financial reporting. In addition, in keeping with the Office of the Comptroller's requirements, the Finance department has conducted a risk assessment and developed and documented an internal control plan, which is under internal review.

EOLWD also hired a Director of Financial Reporting, a new role, in October 2023 to take the lead on financial reporting functions. As we continue to evaluate the Finance department, EOLWD intends to add staff capacity to the Financial Reporting unit, budgetary resources permitting.

In September 2023, EOLWD launched the first phase of its Employment Modernization Transformation (EMT) project, which will replace DUA's old Unemployment Insurance (UI) system with an entirely new one. The first phase included the collecting, tracking, and recording of employer UI contributions. EMT is a major improvement over DUA's old system and has already facilitated more efficient and accurate reporting between the

Department of Unemployment Assistance (DUA) and EOLWD Finance. EOLWD Finance and DUA have conducted monthly reconciliations of the data. EMT's reporting functions have also enabled EOLWD Finance to begin producing quarterly financial statements. As Finance continues to work with CTR on this effort, Finance will document written procedures to outline the parameters for quarterly and annual statements.

EOLWD will launch the second phase of EMT in May 2025. The second phase encompasses all processes related to the payment of unemployment benefits, including verifying claimant eligibility and calculating, issuing, tracking, and recording payments to claimants. EOLWD Finance is engaged in the development and testing of this component to ensure the system's infrastructure and capabilities align with accounting and reporting standards. While the new UI system's full roll-out will be completed in May of 2025, EOLWD Finance is already working on documenting policies and procedures for accounting and reporting, including the items flagged above for the development of the annual GAAP package.

Lastly, since the \$52.5 million in previously unrecognized bank balances was identified, EOLWD Finance has been investigating these accounts. The accounts do not reflect fraudulent claims, but they are instead tied to overpayment repayments, employer refunds, and return of prepaid debit card balances. To date, we have included these accounts in quarterly bank reconciliations and will soon begin conducting these reconciliations on a monthly basis. We will continue to research these accounts in coordination with DUA, determine and document the appropriate course of action, and ensure that the balance is correctly stated for future reporting.

Name(s) of the contact person(s) responsible for corrective action: Adriana Leon, Chief Financial Officer

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

2023-002 Accounting and Financial Reporting – Special Contribution Unemployment Compensation Trust Fund

Action taken in response to the finding:

When it learned that EOLWD has responsibility for reporting on the Special Contribution Unemployment Compensation Trust Fund, in coordination with Office of the Comptroller (CTR) and the Office of the State Treasurer, the EOLWD Finance team began gathering the relevant documentation for recording and reporting on the Fund's activities. The Office of the State Treasurer managed the bond issuance and the Fund's bank account, and bank statements remain under its purview. EOLWD Finance will continue to work with CTR and Treasury to ensure the proper recording and reconciliation of the Fund's activities. After submitting the ACFR reporting to CTR in February 2024, EOLWD Finance has worked on developing quarterly statements for the Fund and recording entries in MMARS.

Name(s) of the contact person(s) responsible for corrective action: Adriana Leon,
Chief Financial Officer

Planned completion date for corrective action plan: December 1, 2024

DEPARTMENT OF ELEMENTARY PUBLIC HEALTH

2023-003 WIC Special Supplemental Nutrition Program for Women, Infants, and Children –
Assistance Listing No. 10.557

Action taken in response to the finding:

The Department and the WIC Nutrition Program will have all fiscal staff review the Operating Procedures to refresh themselves of the procedures surrounding Purchase Orders and Expenditures.

(Excerpt from Operating Procedures)

All Staff should complete a “Request for Purchase” form with all pertinent information such as quotes, renewal notices, conference registration, etc. and submit it to supervisor or Director for initial approval. Once the request is approved, the form is given to a fiscal staff to start the process of encumbering funds through MMARS and preparing a PURCHASE ORDER.

At the very least, staff will identify that the service performed is correct and that funds are available and already encumbered to process the payment. All federal payments require a Program Code, and so the fiscal staff need to be sure the appropriate one is entered based on the dates of service or the date of the Purchase Order. Once all documents have been uploaded and submitted, then either the WIC State Director or the Fiscal Director will need to electronically approve the transaction in the Tracking System.

The Fiscal Director and the State Director will more thoroughly review the assignment of Program Codes as they pertain to the Federal grant award dates before approving payment documents.

This review will involve verifying:

- The type of service
- Date of service or receipt of item
- Date of Purchase Order
- Program Codes

Name of the contact person responsible for corrective action:

Beverly Andrew and Rachel Colchamiro

Planned completion date for corrective action plan:

April 30, 2024

2023-004 WIC Special Supplemental Nutrition Program for Women, Infants, and Children –
Assistance Listing No. 10.557

Action taken in response to the finding:

DPH will continue to automatically generate a subrecipient notification whenever federal funding amounts change. However, because FAIN# and grant award date information is not currently available through our automated systems, we will require bureaus to include a contract attachment that includes this information. The state's current accounting system is being replaced by a new system, with improved grant functionalities. If the FAIN# and grant award information is available through this system, DPH will be able to add these data to our automatically generated subrecipient notification in the future.

Name of the contact person responsible for corrective action:

Sharon Dyer, Director Purchase of Service Office

Planned completion date for corrective action plan:

September 30, 2024

DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION

2023-005 Child and Adult Care Food Program – Assistance Listing No. 10.558

Action taken in response to the finding:

The Office for Food and Nutrition Programs (FNP) has moved from a paper based permanent agreement to a web form that exists on the DESE Security Portal. All existing and new Child Nutrition Sponsors will continue to sign off on the document via the web-based portal allowing for a more efficient collection and document retention process. A change will be made in the portal to automatically apply a DESE signature upon submission of the permanent agreement to avoid a late DESE signature.

Name of the contact person responsible for corrective action:

Rob Leshin, Director of FNP

Planned completion date for corrective action plan:

July 1, 2024

EXECUTIVE OFFICE OF LABOR AND WORKFORCE DEVELOPMENT

2023-006 Unemployment Insurance, COVID-19 – Unemployment Insurance – Assistance Listing No. 17.225

Action taken in response to the finding:

While Massachusetts BAM unit (MBAM) had been making progress in meeting timeliness deadlines, it began suffering setbacks in or around July 2022. MBAM was experiencing difficulties with the SUN server not accepting data and the system adding additional edits that should not have existed. Consistent work with the USDOL Hotline resolved the issues and/or created workarounds. Ultimately the SUN server failed after degrading for a year. The server was unavailable for use sporadically through the year and for four full separate weeks in May, June, and July 2023. Not only were staff unable to submit DCI data but it took additional organizational work of handling unentered cases, additional time to work with the Hotline and test fixes, while needing additional steps to implement work arounds for items that could not be fixed. MBAM continues to utilize work arounds for BAM data entry.

Since SWA's SUN server has become functional again, MBAM has been improving timeliness. MBAM also continues to work with ETA Hotline to report and resolve defects within the SUN system.

MBAM management also developed an organizational strategy for the unit to provide its investigators with weekly updates on what cases should be worked on based on batch due dates. A case status report has been developed to provide unit supervisors with the status of each case assigned, expected date of completion, work completed to date on case, and cause for delay.

Additionally, MBAM management has developed in-house reporting to track individual investigators. The reports track each investigator, telling management the number of cases closed each week and tracking the aging of Investigations. The manager uses these reports to identify cases to be prioritized based on aging and to quickly identify if a specific investigator is lagging in their case closure.

Based on performance, the Manager has coaching sessions with individual investigators a minimum of every two weeks where work prioritization, organization, and any other additional necessary issues are reviewed and discussed. A meeting with all investigators is held weekly to provide education, discuss change to policy/procedure, and provide an open forum for BAM program implementation questions. Monitoring also occurs at the end of each quarter. Based on outcome, discussion of weaknesses and development of new levels of support are discussed and implemented.

Name of the contact person responsible for corrective action:

Susan Saulnier, Director of UI Performs

Planned completion date for corrective action plan:

September 30, 2024

2023-007 Employment Service Cluster – Assistance Listing No. 17.207, 17.801

Action taken in response to the finding:

EOLWD Finance is drafting a Standard Operating Procedure (SOP) that includes the necessary controls to ensure subawards subject to Federal Funding Accountability and Transparency Act (FFATA) reporting are reviewed, approved, and submitted timely to FRS. EOLWD Finance will also conduct training for staff.

Name of the contact person responsible for corrective action:

Malachy Rice, Director of Federal Grants Management

Planned completion date for corrective action plan:

July 1, 2024

2023-008 Employment Service Cluster – Assistance Listing No. 17.207, 17.801

Action taken in response to the finding:

The MassHire Department of Career Services (MDCS) budgets WIOA Adult, Youth, and Dislocated Worker funds in accordance with the Department of Labor's (DOL) earmarking requirements. This finding is a result of reporting deficiencies cited in the FY 2022 audit. The FY 2022 audit findings were a result of extraordinary turnover within EOLWD's Finance Office, which resulted in having no staff fully dedicated to filing Federal Financial Reports (FFR).

In FY 2023, a Corrective Action Plan (CAP) was drafted and implemented by new staff to address the FY 2022 findings related to reporting. The CAP included developing a Standard Operating Procedure (SOP) for Federal Financial Reports, which was done throughout FY 2023. The SOP was implemented in September of 2023, and should resolve the underlying reporting issues that resulted in this finding.

Name of the contact person responsible for corrective action:

Malachy Rice, Director of Federal Grants Management

Planned completion date for corrective action plan:

October 1, 2023

2023-009 Employment Service Cluster – Assistance Listing No. 17.207, 17.801

Action taken in response to the finding:

In FY 2023, a Corrective Action Plan (CAP) was drafted and implemented to address prior audit findings related to Federal Financial Reports (FFR). Prior audit findings were a result

of extraordinary turnover within EOLWD's Finance Office, which resulted in having no staff who were fully dedicated to filing Federal Financial Reports (FFR). The CAP included: (1) filling vacant positions; (2) training new staff in the federal reporting process and requirements; (3) automating business practices; and (4) drafting and implementing an FFR Standard Operating Procedure (SOP). The first three corrective actions identified in the CAP were implemented during FY 2023. The SOP for Federal Financial Reporting was developed in FY 2023 and implemented in FY 2024.

The necessary controls for ensuring VETS-402(A/B) reports are accurately supported by documentation that support reported balances were implemented with the implementation of the FFR SOP in FY 2024.

Name of the contact person responsible for corrective action:

Malachy Rice, Director of Federal Grants Management

Planned completion date for corrective action plan:

October 1, 2023

2023-010 WIOA Cluster, Employment Service Cluster – Assistance Listing No. 17.258, 17.259, 17.278, 17.207, 17.801

Action taken in response to the finding:

EOLWD Budget and Human Resources (HR) will update procedures and controls to ensure all new staff are notified and trained to comply with entering Self-Service Time and Attendance (SSTA) combination codes on their timesheets. As programs are assigned unique combination codes, EOLWD Budget and HR will annually remind staff that SSTA combination codes are required when entering timesheets and, if none are entered, timesheet approvers are required to reject timesheets and notify staff to comply with the requirement. Additionally, a weekly Data Mart report will be created to identify timesheets entered without SSTA combination codes so HR can send notifications to staff to update timesheets for compliance.

Name of the contact person responsible for corrective action:

Steve J. Wong, Budget Director, and Cheryl Stanton, Secretariat Human Resources Officer

Planned completion date for corrective action plan:

December 31, 2024

2023-011 WIOA Cluster, Employment Service Cluster – Assistance Listing No. 17.258, 17.259, 17.278, 17.207, 17.801

Action taken in response to the finding:

In FY 2023, a Corrective Action Plan (CAP) was drafted and implemented to address prior audit findings related to Federal Financial Reports (FFR). Prior audit findings were a result

of extraordinary turnover within EOLWD's Finance Office, which resulted in having no staff who were fully dedicated to filing Federal Financial Reports (FFR). The CAP included: (1) filling vacant positions; (2) training new staff in the federal reporting process and requirements; (3) automating business practices; and (4) drafting and implementing an FFR Standard Operating Procedure (SOP). The first three corrective actions identified in the CAP were implemented throughout FY 2023. The SOP for Federal Financial Reporting was developed throughout FY 2023 and implemented in FY 2024.

The necessary controls for ensuring that ETA 9130 reports reflect earmarking requirements and are accurately supported by documentation that support reported balances were implemented with the implementation of the FFR SOP in FY 2024. In addition, the automated business practices cited in the CAP were refined throughout FY 2023 to ensure data in supporting documentation correlates to what is reported on an ETA 9130 report.

Name of the contact person responsible for corrective action:

Malachy Rice, Director of Federal Grants Management

Planned completion date for corrective action plan:

October 1, 2023

2023-012 WIOA Cluster, Employment Service Cluster – Assistance Listing No. 17.258, 17.259, 17.278, 17.207, 17.801

Action taken in response to the finding:

The corrective action plan (CAP) for this finding was implemented and completed in Fiscal Year 2023 with the addition of the FAIN numbers to the subawards and the completion of FY23 CommCorp monitoring. MDCS continues to include FAIN as part of the revised documented process and monitoring is current and timely performed. MDCS therefore considers this item to be completed and closed.

Name of the contact person responsible for corrective action:

Michael Williams, Director of Field management and Oversight

Planned completion date for corrective action plan:

December 31, 2022

2023-013 WIOA Cluster– Assistance Listing No. 17.258, 17.259, 17.278

Action taken in response to the finding:

EOLWD Finance is drafting a Standard Operating Procedure (SOP) that includes the necessary controls to ensure subawards subject to Federal Funding Accountability and Transparency Act (FFATA) reporting are reviewed, approved, and submitted timely to FSRS. EOLWD Finance will also conduct training for staff.

Name of the contact person responsible for corrective action:

Malachy Rice, Director of Federal Grants Management

Planned completion date for corrective action plan:

July 1, 2024

2023-014 WIOA Cluster— Assistance Listing No. 17.258, 17.259, 17.278

Action taken in response to the finding:

In FY 2023, a Corrective Action Plan (CAP) was drafted and implemented to address prior audit findings related to Federal Financial Reports (FFR). Prior audit findings were a result of extraordinary turnover within EOLWD's Finance Office, which resulted in having no staff who were fully dedicated to filing Federal Financial Reports (FFR). The CAP included: (1) filling vacant positions; (2) training new staff in the federal reporting process and requirements; (3) automating business practices; and (4) drafting and implementing an FFR Standard Operating Procedure (SOP). The first three corrective actions identified in the CAP were implemented in FY 2023. The SOP for Federal Financial Reporting was developed in FY 2023 and implemented in FY 2024.

The necessary controls for ensuring ETA 9130 reports reflect earmarking requirements and are accurately supported by documentation that support reported balances were implemented with the implementation of the FFR SOP in FY 2024.

Name of the contact person responsible for corrective action:

Malachy Rice, Director of Federal Grants Management

Planned completion date for corrective action plan:

October 1, 2023

EXECUTIVE OFFICE OF HOUSING AND LIVABLE COMMUNITIES

2023-015 COVID-19 – Emergency Rental Assistance Program – Assistance Listing No. 21.023

Action taken in response to the finding:

The Emergency Rental Assistance Program (ERA or ERAP) was a temporary program relating to the COVID-19 emergency which was administered by the Executive Office of Housing and Livable Communities (EOHLC), formerly the Department of Housing and Community Development (DHCD or Department). Most of the ERA contracts that are still in place will be ending as of 6/30/2024. In the event that EOHLC's ERA contracts are extended or renewed before the performance period ends, EOHLC will amend the contracts to include a reference to the required information. EOHLC is committed to reviewing internal controls and procedures and making the enhancements that are necessary to ensure that required information is included in its subawards going forward.

Name of the contact person responsible for corrective action:

Henok Teffera

Planned completion date for corrective action plan:

July 1, 2024

2023-016 COVID-19 – Emergency Rental Assistance Program – Assistance Listing No. 21.023

Action taken in response to the finding:

EOHLC has notified Nan McKay of the income ineligibility. Nan McKay and EOHLC agreed with the finding. In February 2024 Nan McKay sent payment recoupment letters to the landlord and the utility company to attempt to recoup the funds paid on behalf of an ineligible household.

EOHLC met with Nan McKay leadership staff on 04/18/2024 to review income eligibility steps for emergency rental assistance programs.

Name of the contact person responsible for corrective action:

Amy Mullen

Planned completion date for corrective action plan:

April 18, 2024

DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION

2023-017 Title I Grants to Local Educational Agencies – Assistance Listing No. 84.010

Action taken in response to the finding:

In FY24, internal controls and procedures were implemented to ensure that all required subawards are reported timely to FSRS no later than the end of the month following the month of issuance.

Name of the contact person responsible for corrective action:

Robert Curtain, Chief Officer for Data and Accountability

Planned completion date for corrective action plan:

July 1, 2023

2023-018 COVID-19 – Elementary and Secondary School Emergency Relief Fund (ESSER), COVID-19 – American Rescue Plan – Elementary and Secondary School Emergency Relief (ARP ESSER) – Assistance Listing No. 84.425D, 84.425U

Action taken in response to the finding:

In FY24, internal controls and procedures were implemented to ensure that all required subawards are reported timely to FSRS no later than the end of the month following the month of issuance.

Name of the contact person responsible for corrective action:

Robert Curtain, Chief Officer for Data and Accountability

Planned completion date for corrective action plan:

July 1, 2023

MASSACHUSETTS EXECUTIVE OFFICE OF EDUCATION

2023-019 COVID-19 – Governor’s Emergency Education Relief (GEER) Fund - Assistance Listing No. 84.425C

Action taken in response to the finding:

EOE will review and enhance internal controls and procedures to ensure that all required information is included in all subawards including: RFQ postings and contracts. This documentation will be included in our updated internal control process which is underway as required by the Comptroller’s Office.

Name of the contact person responsible for corrective action:

Joanne Puopolo

Planned completion date for corrective action plan:

July 1, 2024

EXECUTIVE OFFICE OF ELDER AFFAIRS

2023-020 COVID-19 – Aging Cluster - Assistance Listing No. 93.044, 93.045, 93.053

Action taken in response to the finding:

EOEA will establish a process 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 of each subaward.

Name of the contact person responsible for corrective action:

Sheila Tunney, EOEa CFO

Planned completion date for corrective action plan:

EOEA will complete this corrective action plan following issuance of the final FFY24 federal award, which is expected in August 2024.

2023-021 COVID-19 – Aging Cluster - Assistance Listing No. 93.044, 93.045, 93.053

Action taken in response to the finding:

EOEA will review internal processes to ensure that federal requirements are met for the applicable grants in the scope of this audit as well as all Title III grants.

Name of the contact person responsible for corrective action:

Sheila Tunney, EOEa CFO

Planned completion date for corrective action plan:

EOEA will complete this corrective action plan action in advance of the FFY25 federal award issuance, expected in October 2024.

2023-022 COVID-19 – Aging Cluster - Assistance Listing No. 93.044, 93.045, 93.053

Action taken in response to the finding:

EOEA will review internal processes to ensure that all required information is included in all subaward agreements, including reviewing FFY25 and subsequent Title III subaward agreements to ensure that the required federal award information is present.

Name of the contact person responsible for corrective action:

Sheila Tunney, EOEa CFO

Planned completion date for corrective action plan:

EOEA will complete this corrective action plan for the re-issuance of FFY24 subawards following receipt of additional federal awards, anticipated for June/July 2024.

DEPARTMENT OF PUBLIC HEALTH

2023-023 Immunization Cooperative Agreements, COVID-19 - Immunization Cooperative Agreements - Assistance Listing No. 93.268

Action taken in response to the finding:

The Bureau of Infectious Disease and Laboratory Sciences (BIDLS) will put in place starting June 1, 2024 a process to review obligations for subawards under Immunization, Assistance Listing No. 93.268 to identify subawards that fall under the rules set forth by

Federal Funding Accountability and Transparency Act (FFATA) and report the appropriate obligations to FSRS according to the above-mentioned recommendations.

Name of the contact person responsible for corrective action:

Cheryl Bernard-Dort, Director of Administration and Finance or her designee.

Planned completion date for corrective action plan:

The completion date for this correction action plan is September 30, 2024.

OFFICE FOR REFUGEES AND IMMIGRANTS

2023-024 Refugee and Entrant Assistance State Administered Programs - Assistance Listing No. 93.566

Action taken in response to the finding:

ORI will provide the Federal Award Identification Number (FAIN) to the subrecipient in the contract document. ORI will update internal controls and procedures to confirm FAIN number is included in contract documents going forward.

Name of the contact person responsible for corrective action:

Kelvin Pham

Planned completion date for corrective action plan:

July 1, 2024

DEPARTMENT OF PUBLIC HEALTH

2023-025 Refugee and Entrant Assistance State Administered Programs (Refugee), Opioid-STR Block Grants for Prevention and Treatment of Substance Abuse, COVID-19 - Block Grants for Prevention and Treatment of Substance Abuse (SABG) - Assistance Listing No. 93.566, 93.788, 93.959

Action taken in response to the finding:

DPH will continue to automatically generate a subrecipient notification whenever federal funding amounts change. However, because FAIN# and grant award date information is not currently available through our automated systems, we will require bureaus to include a contract attachment that includes this information. The state's current accounting system is being replaced by a new system, with improved grant functionalities. If the FAIN# and grant award information is available through this system, DPH will be able to add these data to our automatically generated subrecipient notification in the future.

Name of the contact person responsible for corrective action:

Sharon Dyer, Director Purchase of Service Office

Planned completion date for corrective action plan:

September 30, 2024

EXECUTIVE OFFICE OF HOUSING AND LIVABLE COMMUNITIES

2023-026 Low-Income Home Energy Assistance, COVID-19 – Low-Income Home Energy Assistance - Assistance Listing No. 93.568

Action taken in response to the finding:

The Executive Office of Housing and Livable Communities (EOHLC), which was formerly the Department of Housing and Community Development (DHCD or Department), has implemented the recommended measures and will continue them going forward. As a result of the original finding, 2022-018, EOHLC had previously put policies and procedures in place to ensure that all required subawards are reported timely and accurately to FSRS, and the Federal Funding Accountability and Transparency Act (FFATA) reports are reported timely and accurately. EOHLC's FFATA report procedure was developed in September of 2023 and submitted on November 20, 2023. Although EOHLC acknowledges why this has resulted in this finding, EOHLC notes that policies and procedures have already been put in place to remedy this issue.

Name of the contact person responsible for corrective action:

Kristen Crowley

Planned completion date for corrective action plan:

FFATA report procedure developed September 12, 2023 and LIHEAP submitted November 20, 2023

2023-027 Low-Income Home Energy Assistance, COVID-19 – Low-Income Home Energy Assistance - Assistance Listing No. 93.568

Action taken in response to the finding:

The Executive Office of Housing and Livable Communities (EOHLC), which was formerly the Department of Housing and Community Development (DHCD or Department), has implemented the recommended measures and will continue them going forward. EOHLC has reviewed their policies and procedures for LIHEAP reporting requirements and is committed to making any enhancements that are necessary to ensure the reports are submitted timely and accurately, and that the information reported agrees to the supporting documentation. In addition, EOHLC Management or their designees will review deadlines and other requirements for LIHEAP reports on an ongoing basis.

Name of the contact person responsible for corrective action:

Edward Kiely

Planned completion date for corrective action plan:

October 1, 2024

2023-028 Low-Income Home Energy Assistance, COVID-19 – Low-Income Home Energy Assistance - Assistance Listing No. 93.568

Action taken in response to the finding:

The Executive Office of Housing and Livable Communities (EOHLC), which was formerly the Department of Housing and Community Development (DHCD or Department), has implemented the recommended measures and will continue them going forward. EOHLC has reviewed their internal controls and procedures and is committed to making any enhancements that are necessary to ensure that required information is included in its subawards. EOHLC notes that the Federal Award Identification Number (FAIN) and the Federal Award Date are included in the HHS award notices and other HHS guidance, which EOHLC incorporates by reference into its LIHEAP subaward contracts with its subrecipients. In an effort to ensure compliance with these requirements going forward, EOHLC will include a direct reference to the FAIN and the Federal Award Date in its LIHEAP subaward contracts with its subrecipients beginning with its FFY 2025 LIHEAP contracts.

Name of the contact person responsible for corrective action:

Edward Kiely

Planned completion date for corrective action plan:

October 1, 2024

EXECUTIVE OFFICE OF HEALTH AND HUMAN SERVICES

2023-029 Medicaid Cluster, COVID-19 – Medicaid Cluster - Assistance Listing No. 93.775, 93.777, 93.778

Action taken in response to the finding:

Dental: In response to the finding MassHealth required DentaQuest to:

- Implement a corrective action plan to review and improve internal controls for the retention of provider enrollment documentation.
- Ensure that all required documents are obtained and retained during validation and revalidation (i.e., “provider eligibility recertification”) processes for both individual dental providers and dental group practices.
- Provide additional training to its provider enrollment staff on document retention.

DentaQuest has implemented the above requirements to ensure provider license and revalidation dates are verified and maintained in MassHealth’s Medicaid Management Information System (MMIS) upon enrollment and subsequent revalidation. However, MassHealth anticipates that due to a backlog in the dental group practice revalidation process, dental group practice revalidation will not be complete January 2025. In the event that a MassHealth-enrolled provider or group practice does not timely respond to MassHealth revalidation requests, MassHealth initiates the process of terminating the provider’s MassHealth contract.

BSS: For the one out of state provider that MassHealth did not revalidate, once identified, the provider was immediately put into a revalidation process. The provider did not respond to requests from MassHealth to revalidate and the provider’s MassHealth contract was terminated effective 1/21/2024 for failure to revalidate.

MassHealth and BSS will continue to review and ensure that all providers who are required to revalidate are completed within the CMS required timeframes.

Name of the contact person responsible for corrective action:

Tuyen Vu, Deputy Director, Dental

Janice Wadsworth, Director of Provider Operations

Planned completion date for corrective action plan:

Dental: January 1, 2025

BSS: January 21, 2024

2023-030 Medicaid Cluster, COVID-19 – Medicaid Cluster - Assistance Listing No. 93.775, 93.777, 93.778

Action taken in response to the finding:

EOHHS is developing a standardized checklist, using CLA’s guidance as a template, to ensure that SOC reports are reviewed and that such reviews are documented.

Name of the contact person responsible for corrective action:

Conduent – Jacob Guggenheim, Director of Healthcare Information and Analysis

DentaQuest - Tomaso Calicchio, Director of Specialty Provider Networks

Maximus – Janice Wadsworth, Director of Provider Operations

Planned completion date for corrective action plan:

July 2024

2023-031	<p>Medicaid Cluster, COVID-19 – Medicaid Cluster - Assistance Listing No. 93.775, 93.777, 93.778</p> <p>Action taken in response to the finding:</p> <p>The Executive Office of Health and Human Services (EOHHS) has reviewed the required elements of reports submitted by managed care providers with EOHHS staff and reviewed the steps that EOHHS staff should take when any element of those reports is missing.</p> <p>Name of the contact person responsible for corrective action:</p> <p>Robert Roche, FP&A Analyst</p> <p>Planned completion date for corrective action plan:</p> <p>May 2, 2024</p>
2023-032	<p>Medicaid Cluster, COVID-19 – Medicaid Cluster - Assistance Listing No. 93.775, 93.777, 93.778</p> <p>Action taken in response to the finding:</p> <p>In response to the finding, MassHealth will</p> <ul style="list-style-type: none"> • Implement corrective measures to ensure workbooks are revamped and that processes are implemented to automate and improve the importation of data and to allow more time for quality control review. • Work with staff to develop additional checks to ensure the correct federal share is reported and returned. • Return the identified federal share in the QE 03.2024 CMS 64. <p>Name of the contact person responsible for corrective action:</p> <p>Janet Chin, Director Federal Revenue Claiming, Title XIX & XXI</p> <p>Planned completion date for corrective action plan:</p> <p>Immediate and ongoing</p>

DEPARTMENT OF PUBLIC HEALTH

2023-033	<p>Opioid – STR - Assistance Listing No. 93.788</p> <p>Action taken in response to the finding:</p>
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All subrecipient FFATA information will be batch uploaded to FSRS within 30 days of execution of subcontracts. The majority of BSAS subrecipient contracts are executed as of July 1. A batch upload of data will be completed each month over the grant period so that all outlying contracts not executed on June 30 will have their FFATA data uploaded to FSRS within 30 days of contract execution throughout the year. These uploads will be conducted by the BSAS Grants coordinator. Once successfully uploaded the Grants coordinator will receive a FFATA submission receipt from FSRS for each FFATA submission. They will share this with their supervisor and the Fiscal Director for confirmation. These records will be kept on file in the BSAS Grant Teams file for future reference. Our internal Fiscal Compliance Auditor will review batches of these submission quarterly to ensure compliance.

Name of the contact person responsible for corrective action:

Shannon McEneaney-Farron, BSAS Fiscal Director

Planned completion date for corrective action plan:

Ongoing. This process will commence as of July 1, 2024.

2023-034 Opioid – STR - Assistance Listing No. 93.788

Action taken in response to the finding:

We are currently working on implementing training during on boarding as well as annual refresher training for these key fiscal requirements including time and effort reporting and plan to have these trainings in place by the end of the 2024 calendar year. In the interim the BSAS grants office will work with Grant PIs to train staff on time and effort reporting, correct any issues with duplicative effort reporting, and ensure staff are allocated to grants in proportion to their actual time worked. This is being corrected by the BSAS grants director and all corrections have been documented through PARS reports.

This particular finding was in relation to an Interdepartmental Service Agreement ISA (815 CMR 6.00) with The Dukes County Sheriff's Office (department) for which we do not have direct access to their payroll. We will be including in future ISA agreements, language that states that monthly detailed payroll reports associated with ISA funds must be submitted to the BSAS ISA office for review. These records will be reviewed by the BSAS ISA manager, and any corrections required will be relayed to the ISA child agency by the BSAS ISA manager via email for documentation. If any child agency is repeatedly non-compliant we will work with them on a corrective action plan for their site. If the issues are not resolved we will review the status of their agreement, and our continued relationship with them. All related records will be kept in the BSAS ISA offices Teams files for the child agency.

(2) Application. 815 CMR 6.00 applies to all State Departments conducting interdepartmental business with another State Department(s), including agencies, subdivisions, offices, boards, commissions or institutions of the Executive, Judicial and Legislative Branches.

Name of the contact person responsible for corrective action:

Shannon McEneaney-Farron, BSAS Fiscal Director

Planned completion date for corrective action plan:

Ongoing. This process will commence as of July 1, 2024.

2023-035 Opioid – STR - Assistance Listing No. 93.788

Action taken in response to the finding:

Reporting - GRPA

Submission evidence:

Per recommendations of the auditing team the Project PI will review all data provided to them by the project staff before submitting to SPARS. When review is finalized the PI will submit the reports to SPARS. At this time the PI will screenshot an image of each report submission page to SPARS for each GPRA report and save the file as a pdf. (This will need to be done as the reporting system does not return a confirmation report for filings.)

Any subsequent updates of data will similarly be reviewed, compared to previous submissions to ensure accuracy, and logged. The same documentation will be recorded and stored with the previous submission data to keep accurate record of any changes.

Data to create/compile the report (back up, supporting documentation to match the report) process.

These pdf records documenting the time and date of initial report submissions and any edits will be kept on file with both the PI in their Teams program file, and with the BSAS Grant Teams SOR grant file for the corresponding grant year for future reference. Our internal Fiscal Compliance Auditor will review batches of these submission quarterly to ensure compliance.

Evidence of Review & Approval process:

These records will be reviewed both by the Grant PI and the BSAS Grants specialist to ensure accuracy, in particular where changes are being made. If changes have been made to data that may require future explanation the cause of the variances will be noted by the PI and documentation will be include with the submission records.

Reporting – Programmatic Progress Reports

Submission evidence:

Per recommendations of the auditing team the Project PI will review all data provided to them by the project staff before submitting to eRA Commons. When review is finalized the PI will submit the reports to eRA Commons. At this time the PI will screenshot an image of each report submission page to eRA Commons for each PPR and save the file as

a pdf. (This will need to be done as the reporting system does not return a confirmation report for filings.)

Any subsequent updates of data will similarly be reviewed, compared to previous submissions to ensure accuracy, and logged. The same documentation will be recorded and stored with the previous submission data to keep accurate record of any changes.

Data to create/compile the report (back up, supporting documentation to match the report) process.

These pdf records documenting the time and date of initial report submissions and any edits will be kept on file with both the PI in their Teams program file, and with the BSAS Grant Teams SOR grant file for the corresponding grant year for future reference. Our internal Fiscal Compliance Auditor will review batches of these submission quarterly to ensure compliance.

Evidence of Review & Approval process:

These records will be reviewed both by the Grant PI and the BSAS Grants specialist to ensure accuracy, in particular where changes are being made. If changes have been made to data that may require future explanation the cause of the variances will be noted by the PI and documentation will be included with the submission records.

Name of the contact person responsible for corrective action:

Shannon McEneaney-Farron, BSAS Fiscal Director, Nicole Schmitt, Director of the Office of Strategy and Innovation (Grant PI)

Planned completion date for corrective action plan:

Ongoing. This process will commence as of July 1, 2024.

2023-036 Opioid – STR - Assistance Listing No. 93.788

Action taken in response to the finding:

This particular finding was in relation to an Interdepartmental Service Agreement ISA (815 CMR 6.00) with The Hampden County Sheriff's Office (Department) for which we do not have direct access to their contracts. We will be including in future ISA agreements, language that states that monthly detailed SAMS reports associated with ISA funded agreements must be submitted to the BSAS ISA office for review monthly to verify that no vendors utilized have been documented in SAMS as being barred from receiving federal funding. These records will be reviewed by the BSAS ISA manager, and any questions or concerns will be relayed to the ISA child agency by the BSAS ISA manager via email for documentation. If any child agency is repeatedly non-compliant, we will work with them on a corrective action plan for their site. If the issues are not resolved we will review the status of their agreement, and our continued relationship with them. All related records will be kept in the BSAS ISA offices Teams files for the child agency.

The SAMS reports for internal contracts already have a set process in place where they run, verified, and included with procurement packages by the BSAS Procurement manager before any vendor contracting packages are moved forward for execution. These are part of the contracting package documentation that is stored in PTS Procurement Tracking System. As a note, the SAMS report review process is in addition to the sanctioning process managed by the Commonwealth's Comptroller's office, which reviews vendors' status as to ensure they are compliant in line with the Commonwealth's vendor requirements. Debarment in these cases is relayed to BSAS via the DPH POS Purchase of Service Office. The DPH POS office is responsible for putting debarred vendors in pending status in EIM so no payments are made until the vendor's compliance issues are resolved.

(2) Application. 815 CMR 6.00 applies to all State Departments conducting interdepartmental business with another State Department(s), including agencies, subdivisions, offices, boards, commissions or institutions of the Executive, Judicial and Legislative Branches.

Name of the contact person responsible for corrective action:

Shannon McEneaney-Farron, BSAS Fiscal Director

Planned completion date for corrective action plan:

Ongoing. This process will commence as of July 1, 2024.

2023-037 Block Grants for Prevention and Treatment of Substance Abuse, COVID-19 - Block Grants for Prevention and Treatment of Substance Abuse - Assistance Listing No. 93.959

Action taken in response to the finding:

All subrecipient FFATA information will be batch uploaded to FSRS within 30 days of execution of subcontracts. The majority of BSAS subrecipient contracts are executed as of July 1. A batch upload of data will be completed each year in that period. All outlying contracts not executed on June 30 will have their FFATA data uploaded to FSRS within 30 days of contract execution throughout the year. These uploads will be conducted by the BSAS Grants coordinator. Once successfully uploaded the Grants coordinator will receive a FFATA submission receipt from FSRS for each FFATA submission. They will share this with their supervisor and the Fiscal Director for confirmation. These records will be kept on file in the BSAS Grant Teams file for future reference. Our internal Fiscal Compliance Auditor will review batches of these submission quarterly to ensure compliance.

Name of the contact person responsible for corrective action:

Shannon McEneaney-Farron, BSAS Fiscal Director

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

If the Department of Health and Human Services has questions regarding this plan, please call David Godin at 617-721-6200.



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Commonwealth of Massachusetts Summary Schedule of Prior Year Audit Findings FY 2023

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 2022 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. Where applicable, 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	ALN #	Agency	Program(s)	Description/ Summary	Implementation Status	Corrective Action Plan
2021-020	93.558	DTA	Temporary Assistance for Needy Families (TANF)	Reporting errors on the ACF-196R, ACF-199, ACF-209 and ACF-204	Partially Resolved	Expected to be resolved subsequent to June 30, 2023
2021-021	93.575, 93.596	EEC	Child Care Development Cluster	Subawards in accordance with the Federal Funding Accountability and Transparency Act (FFATA)	Fully Resolved	
2021-026	97.036	MEMA	Disaster Grants	A subaward issued by the Agency was not reported to FSRs.	Partially Resolved	Expected to be resolved subsequent to June 30, 2023
2021-027	97.036	MEMA	Disaster Grants	The Agency was unable to provide documentation to support the allowability, approval, and proper accounting of expenditures charged to the program.	Partially Resolved	Expected to be resolved subsequent to June 30, 2023
2021-028	97.050	EOL	Presidential Declared Disaster Assistance to Individuals and Households	Lost Wages Weekly Report, SF-425 Federal Financial Report	Not Resolved	Expected to be resolved subsequent to June 30, 2023
2022-001, 2021-001, 2020-002, 2019-001, 2018-002		EOL	State	Accounting and Financial Reporting- Unemployment Compensation Trust Fund	Not Resolved	See finding 2023-001
2022-002	10.555, 10.559, 10.582	DESE	Child Nutrition Cluster	Eligibility- Subrecipients	Partially Resolved	Expected to be resolved subsequent to June 30, 2023
2022-003	10.555, 10.559, 10.582	DESE	Child Nutrition Cluster	Reporting- Federal Funding Accountability and Transparency Act (FFATA)- subward information not reported timely	Partially Resolved	Expected to be resolved subsequent to June 30, 2023
2022-004	10.558	DESE	Child and Adult Care Food	Eligibility and Subrecipient Monitoring	Not Resolved	See finding 2023-005
2022-005	17.225	EOL	Unemployment Insurance	Matching- Extended Benefits	Fully Resolved	
2022-006	17.225	EOL	Unemployment Insurance	Eligibility- Monetary Determination Letter	Fully Resolved	
2022-007, 2021-009	17.225	EOL	Unemployment Insurance	Reporting- ETA 9130 Financial Status Report	Fully Resolved	
2022-008	17.225	EOL	Unemployment Insurance	Special Tests- Match with IRS 940 FUTA Tax Form- not completed on a timely basis	Fully Resolved	
2022-009	17.225	EOL	Unemployment Insurance	Special Tests- UI Benefits Payments	Not Resolved	See finding 2023-006
2022-010, 2021-011	17.258, 17.259, 17.278	EOL	WIOA Cluster	Reporting- ETA 9130 Financial Report	Not Resolved	See finding 2023-011
2022-011, 2021-012	17.258, 17.259, 17.278	EOL	WIOA Cluster	Subawards in accordance with the Federal Funding Accountability and Transparency Act (FFATA)- did not report subaward information	Not Resolved	See finding 2023-013
2022-012, 2021-010, 2020-016, 2019-005, 2018-011	17.258, 17.259, 17.278	EOL	WIOA Cluster	Time and Effort Reporting- budgeted personnel costs charged to program instead of actual costs.	Not Resolved	See finding 2023-010

Finding Reference	ALN #	Agency	Program(s)	Description/ Summary	Implementation Status	Corrective Action Plan
2022-013, 2021-016	17.258, 17.259, 17.278	EOL	WIOA Cluster	Missing Subaward Information and Lack of Subrecipient Monitoring	Not Resolved	See finding 2023-012
2022-014	20.205, 20.219	DOT	Highway Planning and Construction Cluster	Documentation of suspension and debarment status	Fully Resolved	
2022-015, 2021-018	21.023	EOHLC	Emergency Rental Assistance	Timely Reporting- monthly reports	Fully Resolved	
2022-016	84.425	DESE	Education Stabilization Fund	Reporting- Year 2 Annual Report; timely submission of quarterly reports	Fully Resolved	
2022-017	84.425	DESE	Education Stabilization Fund	Reporting- Federal Funding Accountability and Transparency Act (FFATA)- subaward information not reported timely	Not Resolved	See finding 2023-018
2022-018	93.568	EOHLC	Low-Income Home Energy Assistance (LIHEAP)	Reporting- Federal Funding Accountability and Transparency Act (FFATA)- subaward information not reported during FY2022	Not Resolved	See finding 2023-026
2022-019	93.568	EOHLC	Low-Income Home Energy Assistance (LIHEAP)	Performance and Special Reporting- timely reporting	Not Resolved	See finding 2023-027
2022-020, 2021-024, 2020-007, 2019-012, 2018-022	93.775, 93.777, 93.778	EHS	Medicaid Cluster	The Department did not provide documentation to support recertification of the group practice organization's eligibility.	Not Resolved	See finding 2023-029