

**COMMONWEALTH OF MASSACHUSETTS**

**UNIFORM GUIDANCE  
SINGLE AUDIT REPORT**

**YEAR ENDED JUNE 30, 2025**



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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, 2025, and the related notes to the financial statements, which collectively comprise the Commonwealth's basic financial statements and have issued our report thereon dated April 23, 2026. Our report contains emphasis of matter paragraphs for a reclassification error and other auditors' reports on the financial statements of the Massachusetts Department of Transportation. 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
<b>Governmental Activities</b>	Lotteries Fund; Massachusetts School Building Authority Fund	6.61%	8.45%
<b>Business-Type Activities</b>	University of Massachusetts; State Universities; Community Colleges (Excluding Roxbury Community College)	75.14%	61.09%
<b>Lotteries Fund</b>	Lotteries Fund	9.37%	100.00%
<b>Massachusetts School Building Authority Fund</b>	Massachusetts School Building Authority Fund	99.72%	100.00%
<b>University of Massachusetts</b>	University of Massachusetts	100.00%	100.00%
<b>State Universities</b>	State Universities	100.00%	100.00%
<b>Aggregate Remaining Fund Information</b>	External Investment Trust Funds; Community Colleges (Excluding Roxbury Community College)	27.48%	50.31%
<b>Aggregate Discretely Presented Component Units</b>	Massachusetts Department of Transportation; Massachusetts Bay Transportation Authority; Commonwealth Health Insurance Connector; Massachusetts Housing Partnership; Economic Development Entities; Higher Education Foundations (Excluding Roxbury Community College Foundation)	84.45%	89.99%

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 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 this entity.

### **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 a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2025-001 that we consider to be a significant deficiency.

### **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*.

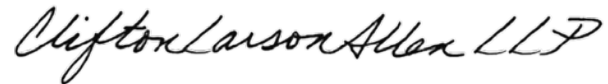
### **The Commonwealth's Responses to Findings**

*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.

Mr. William McNamara, Comptroller  
Commonwealth of Massachusetts

**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.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

**CliftonLarsonAllen LLP**

Boston, Massachusetts  
April 23, 2026



**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, 2025. The Commonwealth's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

*Summary of Opinions*

<b>Major Federal Program/Cluster</b>	<b>Type of Opinion</b>
Child Nutrition Cluster	Qualified
Employment Service Cluster	Qualified
Unemployment Insurance	Qualified
WIOA Cluster	Qualified
Education Stabilization Fund	Qualified
Aging Cluster	Qualified
Immunization Cooperative Agreements	Qualified
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	Qualified
CCDF Cluster	Qualified
Children's Health Insurance Program (CHIP)	Qualified
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	Qualified

Major Federal Program/Cluster	Type of Opinion
Summer Electronic Benefits Program for Children	Unmodified
SNAP Cluster	Unmodified
Moving to Work Demonstration Program	Unmodified
Coronavirus State and Local Fiscal Recovery Funds	Unmodified
Grants to States for Construction of State Home Facilities	Unmodified
Rehabilitation Services - Vocational Rehabilitation Grants to States	Unmodified
Child Support Enforcement	Unmodified
Adoption Assistance	Unmodified
Medicaid Cluster	Unmodified
Opioid STR	Unmodified

*Qualified Opinions on Certain 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, 2025.

*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, 2025.

***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 Certain 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:

<b>Program</b>	<b>Assistance Listing</b>	<b>Noncompliance</b>	<b>Finding Number</b>
Child Nutrition Cluster	10.555, 10.559, 10.582	Reporting - FFATA	2025-002
Employment Service Cluster	17.207, 17.801	Reporting - FFATA	2025-003
Employment Service Cluster	17.207, 17.801	Reporting - VETS-402(AB)	2025-004
Unemployment Insurance	17.225	Reporting - ETA 2112	2025-007
WIOA Cluster	17.258, 17.259, 17.278	Reporting - FFATA	2025-015
WIOA Cluster	17.258, 17.259, 17.278	Reporting - ETA 9130	2025-016
Education Stabilization Fund	84.425D, U	Reporting - FFATA	2025-020
Aging Cluster	93.044, 93.045, 93.053	Reporting - Financial	2025-021
Aging Cluster	93.044, 93.045, 93.053	Reporting - FFATA	2025-022
Aging Cluster	93.044, 93.045, 93.053	Subrecipient Monitoring	2025-023
Immunization Cooperative Agreements	93.268	Reporting - FFATA	2025-025
Epidemiology and Laboratory Capacity for Infectious Diseases	93.323	Reporting - FFATA	2025-026
Epidemiology and Laboratory Capacity for Infectious Diseases	93.323	Subrecipient Monitoring	2025-027
CCDF Cluster	93.575, 93.596	Special Tests and Provisions – Written Agreements as part of Program Integrity and Accountability	2025-029
CCDF Cluster	93.575, 93.596	Reporting - FFATA	2025-030
Children's Health Insurance Program (CHIP)	93.767	Allowable Activities/Allowable Costs, Special Tests & Provisions - Provider Eligibility	2025-032
Disaster Grants – Public Assistance (Presidentially Declared Disasters)	97.036	Reporting - FFATA	2025-036

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

***Other Matter – Federal Expenditures Not included in the Compliance Audit***

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, 2025. Our compliance audit, described in the Qualified and Unmodified Opinions, does not include the operations of the entities identified in Note 1 because these entities conducted separate audits in accordance with the Uniform Guidance, if required.

***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 2025-005, 2025-006, 2025-008, 2025-009, 2025-010, 2025-011, 2025-013, 2025-017, 2025-019, 2025-031, 2025-033, 2025-034, and 2025-035. 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 2025-002, 2025-003, 2025-004, 2025-007, 2025-015, 2025-016, 2025-020, 2025-021, 2025-022, 2025-023, 2025-025, 2025-026, 2025-027, 2025-029, 2025-030, 2025-032, and 2025-036 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 2025-005, 2025-006, 2025-008, 2025-009, 2025-010, 2025-011, 2025-012, 2025-013, 2025-014, 2025-017, 2025-018, 2025-019, 2025-024, 2025-028, 2025-031, 2025-033, 2025-034, and 2025-035 to be significant deficiencies.

Mr. William McNamara, Comptroller  
Commonwealth of Massachusetts

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.

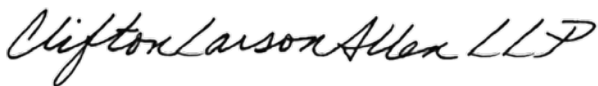
The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

### **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, 2025, and the related notes to the financial statements, which collectively comprise the Commonwealth's basic financial statements.

We issued our report thereon dated April 23, 2026, 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.



**CliftonLarsonAllen LLP**

Boston, Massachusetts  
April 29, 2026

**COMMONWEALTH OF MASSACHUSETTS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2025**

ALN	Program Name	Pass-through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
<b>U.S Department of Agriculture:</b>				
10.025	Plant and Animal Disease, Pest Control, and Animal Care		\$ -	\$ 3,460,844
10.028	Wildlife Services		34,726	43,612
10.170	Specialty Crop Block Grant Program - Farm Bill		486,738	557,917
10.171	Organic Certification Cost Share Programs		19,875	19,875
10.182	COVID-19 - Pandemic Relief Activities: Local Food Purchase Agreements with States, Tribes, and Local Governments		5,388,690	5,402,217
10.185	Local Food for Schools Cooperative Agreement Program		1,749,450	1,749,450
10.187	The Emergency Food Assistance Program (TEFAP) Commodity Credit Corporation Eligible Recipient Funds		667,264	667,264
10.190	Resilient Food System Infrastructure Program		456,037	483,258
10.194	Commodity Credit Corporation (CCC) Funding to Alleviate Emergency Supply Chain Disruption in the Commodity Supplemental Food Program (CSFP)		132,110	132,110
10.525	Farm and Ranch Stress Assistance Network Competitive Grants Program		-	645
10.541	Child Nutrition-Technology Innovation Grant		-	381,831
10.542	COVID-19 - Pandemic EBT Food Benefits		-	383,066
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)		109,442,297	120,603,570
10.557	COVID-19 - Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)		-	455,796
	Total Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)		109,442,297	121,059,366
10.558	Child and Adult Care Food Program		76,700,241	77,642,169
10.560	State Administrative Expenses for Child Nutrition		-	6,315,444
10.572	WIC Farmers' Market Nutrition Program (FMNP)		-	648,357
10.576	Senior Farmers Market Nutrition Program		-	537,041
10.576	COVID-19 - Senior Farmers Market Nutrition Program		-	682,338
	Total Senior Farmers Market Nutrition Program		-	1,219,379
10.578	WIC Grants To States (WGS)		-	250,359
10.579	Child Nutrition Discretionary Grants Limited Availability		172,356	172,356
10.589	Child Nutrition Direct Certification Performance Awards		-	19,342
10.645	COVID-19 - Farm to School State Formula Grant		195,588	372,411
10.646	Summer Electronic Benefit Transfer Program for Children		-	59,621,183
10.664	Cooperative Forestry Assistance		623,089	2,270,973
10.676	Forest Legacy Program		267,000	303,029
10.680	Forest Health Protection		-	32,416
10.698	State & Private Forestry Cooperative Fire Assistance		77,864	178,112
10.699	Partnership Agreements		-	3,301
10.703	Cooperative Fire Protection Agreement		-	69,020
10.720	Infrastructure Investment and Jobs Act Community Wildfire Defense Grants		-	18,694
10.721	Infrastructure Investment and Jobs Act Temporary Bridge Program		-	169,200
10.727	Inflation Reduction Act Urban & Community Forestry Program		-	6,592
10.731	Inflation Reduction Act Landscape Scale Restoration		62,241	62,241
10.734	Inflation Reduction Act - Forest Legacy Program		441,123	915,555
10.912	Environmental Quality Incentives Program		-	48,782
10.931	Agricultural Conservation Easement Program		1,213,722	2,408,302
10.932	Regional Conservation Partnership Program		-	34,952
<i>SNAP Cluster:</i>				
10.551	Supplemental Nutrition Assistance Program		-	2,618,616,353
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program		7,763,533	104,984,779
	Total SNAP Cluster		7,763,533	2,723,601,132
<i>Child Nutrition Cluster:</i>				
10.555	National School Lunch Program		481,956,889	481,956,889
10.559	Summer Food Service Program for Children		10,592,021	10,684,346
10.582	Fresh Fruit and Vegetable Program		4,961,386	5,135,906
	Total Child Nutrition Cluster		497,510,296	497,777,141

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, 2025**

ALN	Program Name	Pass-through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
<b>U.S. Department of Agriculture (continued):</b>				
<i>Food Distribution Cluster:</i>				
10.565	Commodity Supplemental Food Program		\$ 317,052	\$ 330,461
10.568	Emergency Food Assistance Program (Administrative Costs)		3,410,944	3,612,605
	<i>Total Food Distribution Cluster</i>		<u>3,727,996</u>	<u>3,943,066</u>
	<b>Total U.S. Department of Agriculture</b>		<b><u>707,132,236</u></b>	<b><u>3,512,444,963</u></b>
<b>U.S. Department of Commerce:</b>				
11.035	Broadband Equity, Access, and Deployment Program		1,464,035	1,564,229
11.407	Interjurisdictional Fisheries Act of 1986		-	165,212
11.417	Sea Grant Support		-	1,036
11.419	Coastal Zone Management Administration Awards		-	2,704,160
11.420	Coastal Zone Management Estuarine Research Reserves		58,646	991,716
11.454	Unallied Management Projects		-	800,905
11.472	Unallied Science Program		858,312	906,520
11.473	Office for Coastal Management		96,798	676,281
11.474	Atlantic Coastal Fisheries Cooperative Management Act		-	556,316
<i>Economic Development Cluster:</i>				
11.307	COVID-19 - Economic Adjustment Assistance		2,758,033	6,590,054
	<i>Total Economic Development Cluster</i>		<u>2,758,033</u>	<u>6,590,054</u>
	<b>Total U.S. Department of Commerce</b>		<b><u>5,235,824</u></b>	<b><u>14,956,429</u></b>
<b>U.S. Department of Defense:</b>				
12.113	State Memorandum of Agreement Program for the Reimbursement of Technical Services		-	856,831
12.400	Military Construction, National Guard		-	1,467,142
12.401	National Guard Military Operations and Maintenance (O&M) Projects		-	64,069,450
	<b>Total U.S. Department of Defense</b>		<u>-</u>	<b><u>66,393,423</u></b>
<b>U.S. Department of Housing and Urban Development:</b>				
14.181	Supportive Housing for Persons with Disabilities		4,964,130	4,964,130
14.182	Section 8 New Construction and Substantial Rehabilitation		-	298,803
14.228	Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii		40,531,184	41,558,075
14.228	COVID-19 - Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii		3,675,125	4,456,760
	<i>Total Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii</i>		<u>44,206,309</u>	<u>46,014,835</u>
14.231	Emergency Solutions Grant Program		4,712,730	4,891,201
14.231	COVID-19 - Emergency Solutions Grant Program		-	4,066
	<i>Total Emergency Solutions Grant Program</i>		<u>4,712,730</u>	<u>4,895,267</u>
14.239	Home Investment Partnerships Program		-	298,330,585
14.239	COVID-19 - Home Investment Partnerships Program		555,334	602,504
	<i>Total Home Investment Partnerships Program</i>		<u>555,334</u>	<u>298,933,089</u>
14.241	Housing Opportunities for Persons with AIDS		282,564	284,152
14.267	Continuum of Care Program		21,102,683	23,113,708
14.275	Housing Trust Fund		17,857,719	18,224,480
14.276	Youth Homelessness Demonstration Program		1,358,114	1,460,374
14.277	Youth Homeless System Improvement Grants		-	45,775
14.326	Project Rental Assistance Demonstration (PRA Demo) Program of Section 811		2,330,575	2,689,264
	Supportive Housing for Persons with Disabilities			
14.401	Fair Housing Assistance Program		-	1,041,267
14.880	Family Unification Program (FUP)		3,761,907	3,761,907
14.881	Moving to Work Demonstration Program		501,272,562	508,203,900

**COMMONWEALTH OF MASSACHUSETTS  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2025**

ALN	Program Name	Pass-through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
<b>U.S. Department of Housing and Urban Development (continued):</b>				
14.896	Family Self-Sufficiency Program		\$ 1,099,400	\$ 1,099,400
14.912	Lead Hazard Control Capacity Building		126,406	444,928
<i>Section 8 Project-Based Cluster:</i>				
14.856	Low er Income Housing Assistance Program Section 8 Moderate Rehabilitation		7,473,176	7,475,273
	<i>Total Section 8 Project-Based Cluster</i>		<u>7,473,176</u>	<u>7,475,273</u>
<i>Housing Voucher Cluster:</i>				
14.871	Section 8 Housing Choice Vouchers		10,587,260	10,587,260
14.871	COVID-19 - Section 8 Housing Choice Vouchers		20,325,296	20,325,296
	<i>Total Section 8 Housing Choice Vouchers</i>		<u>30,912,556</u>	<u>30,912,556</u>
	<i>Total Housing Voucher Cluster</i>		<u>30,912,556</u>	<u>30,912,556</u>
	<b>Total U.S. Department of Housing and Urban Development</b>		<b><u>642,016,165</u></b>	<b><u>953,863,108</u></b>
<b>U.S. Department of the Interior:</b>				
15.069	Zoonotic Disease Initiative		-	22,715
15.608	Fish and Aquatic Conservation - Aquatic Invasive Species		72,718	256,679
15.614	Coastal Wetlands Planning, Protection and Restoration		1,282,704	3,282,704
15.615	Cooperative Endangered Species Conservation Fund		-	173,078
15.616	Clean Vessel Act		792,065	972,733
15.622	Sportfishing and Boating Safety Act		22,480	22,480
15.634	State Wildlife Grants		-	811,188
15.684	White-nose Syndrome National Response Implementation		-	4,349
15.904	Historic Preservation Fund Grants-In-Aid		232,272	794,296
15.916	Outdoor Recreation Acquisition, Development and Planning		8,697,460	8,698,827
15.925	National Maritime Heritage Grants		17,726	17,726
<i>Fish and Wildlife Cluster:</i>				
15.605	Sport Fish Restoration		-	2,538,001
15.611	Wildlife Restoration and Basic Hunter Education and Safety		-	8,706,416
	<i>Total Fish and Wildlife Cluster</i>		<u>-</u>	<u>11,244,417</u>
	<b>Total U.S. Department of the Interior</b>		<b><u>11,117,425</u></b>	<b><u>26,301,192</u></b>
<b>U.S. Department of the Justice:</b>				
16.017	Sexual Assault Services Formula Program		407,287	425,748
16.036	Comprehensive Forensic DNA Analysis Grant Program		-	145,673
16.123	Community-Based Violence Prevention Program		-	31,673
16.320	Services for Trafficking Victims		36,500	703,750
16.540	Juvenile Justice and Delinquency Prevention		69,700	256,648
16.543	Missing Children's Assistance		-	525,829
16.550	State Justice Statistics Program for Statistical Analysis Centers		-	29,532
16.554	National Criminal History Improvement Program (NCHIP)		-	2,535,975
16.575	Crime Victim Assistance		16,411,211	21,050,197
16.576	Crime Victim Compensation		-	1,118,535
16.585	Treatment Court Discretionary Grant Program		102,663	401,321
16.588	Violence Against Women Formula Grants		2,226,816	3,499,612
16.590	Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program		-	45,802
16.593	Residential Substance Abuse Treatment for State Prisoners		87,810	232,612
16.606	State Criminal Alien Assistance Program		-	1,450,444
16.609	Project Safe Neighborhoods		217,490	217,490
16.710	Public Safety Partnership and Community Policing Grants		-	4,276,657
16.735	PREA Program: Strategic Support for PREA Implementation		-	2,706
16.738	Edward Byrne Memorial Justice Assistance Grant Program		3,390,545	4,514,092
16.741	DNA Backlog Reduction Program		-	1,272,436
16.742	Paul Coverdell Forensic Sciences Improvement Grant Program		31,547	260,928
16.745	Criminal and Juvenile Justice and Mental Health Collaboration Program		283,572	355,475
16.746	Capital Case Litigation Initiative		85,651	216,210
16.750	Support for Adam Walsh Act Implementation Grant Program		-	695,745
16.751	Edward Byrne Memorial Competitive Grant Program		-	129,564
16.754	Harold Rogers Prescription Drug Monitoring Program		-	912,392
16.812	Second Chance Act Reentry Initiative		793,189	926,688

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ALN	Program Name	Pass-through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
<b><i>U.S Department of the Justice (continued):</i></b>				
16.816	John R. Justice Prosecutors and Defenders Incentive Act		\$ 100,000	\$ 113,364
16.820	Postconviction Testing of DNA Evidence		17,980	110,538
16.831	Children of Incarcerated Parents		49,737	1,210,121
16.833	National Sexual Assault Kit Initiative		-	632,059
16.835	Body Worn Camera Policy and Implementation		34,000	721,850
16.836	Indigent Defense		-	109,311
16.838	Comprehensive Opioid, Stimulant, and other Substances Use Program		3,508,331	5,612,832
16.839	STOP School Violence		86,052	86,052
16.922	Equitable Sharing Program		-	1,295,809
<b>Total U.S Department of the Justice</b>			<b>27,940,081</b>	<b>56,125,670</b>
<b><i>U.S Department of Labor:</i></b>				
17.002	Labor Force Statistics		-	2,282,491
17.005	Compensation and Working Conditions		-	125,205
17.225	Unemployment Insurance		4,919,770	2,199,156,407
17.225	COVID-19 - Unemployment Insurance		-	3,235,217
	Total Unemployment Insurance		4,919,770	2,202,391,624
17.235	Senior Community Service Employment Program		42,625	1,416,924
17.245	Trade Adjustment Assistance		202,493	1,122,875
17.271	Work Opportunity Tax Credit Program (WOTC)		-	578,073
17.273	Temporary Labor Certification for Foreign Workers		-	546,478
17.277	WIOA National Dislocated Worker Grants / WIA National Emergency Grants		712,084	793,690
17.285	Registered Apprenticeship		2,592,396	4,169,992
17.503	Occupational Safety and Health State Program		-	1,350,856
17.504	Consultation Agreements		-	1,333,158
17.600	Mine Health and Safety Grants		-	113,827
<b><i>Employment Services Cluster:</i></b>				
17.207	Employment Service/Wagner-Peyser Funded Activities		5,996,198	15,912,798
17.801	Jobs for Veterans State Grants		398,782	3,251,862
	Total Employment Services Cluster		6,394,980	19,164,660
<b><i>WIOA Cluster:</i></b>				
17.258	WIOA Adult Program		14,014,620	15,980,495
17.259	WIOA Youth Activities		15,667,389	17,203,459
17.278	WIOA Dislocated Worker Formula Grants		12,516,905	21,555,680
	Total WIOA Cluster		42,198,914	54,739,634
<b>Total U.S Department of Labor</b>			<b>57,063,262</b>	<b>2,290,129,487</b>
<b><i>U.S Department of Transportation:</i></b>				
20.205	Highway Planning and Construction		10,191,947	917,663,860
20.219	Recreational Trails Program		842,377	1,017,212
20.224	Federal Lands Access Program		-	90,376
20.232	Commercial Driver's License Program Implementation Grant		-	562,134
20.325	Consolidated Rail Infrastructure and Safety Improvements		-	606,349
20.326	Federal-State Partnership for Intercity Passenger Rail		-	15,305
20.505	Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research		9,574	1,071,823
20.509	Formula Grants for Rural Areas and Tribal Transit Program		3,927,748	4,236,439
20.509	COVID-19 - Formula Grants for Rural Areas and Tribal Transit Program		1,063,953	1,308,030
	Total Formula Grants for Rural Areas and Tribal Transit Program		4,991,701	5,544,469
20.528	Rail Fixed Guideway Public Transportation System State Safety Oversight Formula Grant Program		-	2,920,049
20.614	National Highway Traffic Safety Administration (NHTSA) Discretionary Safety Grants and Cooperative Agreements		-	129,902
20.700	Pipeline Safety Program State Base Grant		-	3,836,516

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ALN	Program Name	Pass-through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
<b>U.S Department of Transportation (continued):</b>				
20.703	Interagency Hazardous Materials Public Sector Training and Planning Grants		\$ 157,181	\$ 282,937
20.933	National Infrastructure Investments		715,692	715,692
20.941	Strengthening Mobility and Revolutionizing Transportation (SMART) Grants Program		499,261	691,548
<i>Federal Motor Carrier Safety Assistance Cluster:</i>				
20.218	Motor Carrier Safety Assistance		142,678	6,531,395
20.237	Motor Carrier Safety Assistance High Priority Activities Grants and Cooperative Agreements		-	417,159
	<i>Total Federal Motor Carrier Safety Assistance Cluster</i>		<u>142,678</u>	<u>6,948,554</u>
<i>Federal Transit Cluster:</i>				
20.526	Buses and Bus Facilities Formula, Competitive, and Low or No Emissions Programs		3,589,813	3,589,813
	<i>Total Federal Transit Cluster</i>		<u>3,589,813</u>	<u>3,589,813</u>
<i>Transit Services Programs Cluster:</i>				
20.513	Enhanced Mobility of Seniors and Individuals with Disabilities		1,511,172	11,572,705
20.513	COVID-19 - Enhanced Mobility of Seniors and Individuals with Disabilities		862,052	872,250
	<i>Total Enhanced Mobility of Seniors and Individuals with Disabilities</i>		<u>2,373,224</u>	<u>12,444,955</u>
	<i>Total Transit Services Programs Cluster</i>		<u>2,373,224</u>	<u>12,444,955</u>
<i>Highway Safety Cluster:</i>				
20.600	State and Community Highway Safety		3,903,541	6,467,429
20.616	National Priority Safety Programs		497,454	4,912,409
	<i>Total Highway Safety Cluster</i>		<u>4,400,995</u>	<u>11,379,838</u>
	<b>Total U.S Department of Transportation</b>		<u><b>27,914,443</b></u>	<u><b>969,511,332</b></u>
<b>U.S Department of the Treasury:</b>				
21.016	Equitable Sharing		15,409	662,699
21.023	COVID-19 - Emergency Rental Assistance Program		3,370,866	3,850,265
21.027	COVID-19 - Coronavirus State And Local Fiscal Recovery Funds		-	216,571,515
21.029	COVID-19 - Coronavirus Capital Projects Fund		2,522,594	2,886,641
	<b>Total U.S Department of Treasury</b>		<u><b>5,908,869</b></u>	<u><b>223,971,120</b></u>
<b>National Endowment for the Arts:</b>				
45.025	Promotion of the Arts Partnership Agreements		1,174,900	1,209,900
45.310	Grants to States		256,651	2,959,283
	<b>Total National Endowment for the Arts</b>		<u><b>1,431,551</b></u>	<u><b>4,169,183</b></u>
<b>National Science Foundation:</b>				
47.076	STEM Education (formerly Education and Human Resources)		155,117	155,117
	<b>Total National Science Foundation</b>		<u><b>155,117</b></u>	<u><b>155,117</b></u>
<b>Small Business Administration:</b>				
59.061	State Trade Expansion		252,589	327,172
	<b>Total Small Business Administration</b>		<u><b>252,589</b></u>	<u><b>327,172</b></u>
<b>U.S. Department of Veterans Affairs:</b>				
64.005	Grants to States for Construction of State Home Facilities		-	97,009,785
64.014	Veterans State Domiciliary Care		-	2,228,549
64.015	Veterans State Nursing Home Care		-	18,093,209
64.015	COVID-19 - Veterans State Nursing Home Care		-	1,112,642
	<i>Total Veterans State Nursing Home Care</i>		<u>-</u>	<u>19,205,851</u>
64.057	Suicide Mortality Review Cooperative Agreements		-	24,704
	<b>Total U.S. Department of Veterans Affairs</b>		<u><b>-</b></u>	<u><b>118,468,889</b></u>

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ALN	Program Name	Pass-through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
<b>U.S. Environmental Protection Agency:</b>				
66.032	State and Tribal Indoor Radon Grants		\$ -	\$ 171,037
66.034	Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act		-	1,222,339
66.040	Diesel Emissions Reduction Act (DERA) State Grants		567,933	580,236
66.046	Climate Pollution Reduction Grants		-	528,013
66.312	Environmental Justice Government-to-Government (EJG2G) Program		32,914	183,381
66.312	COVID-19 - Environmental Justice Government-to-Government (EJG2G) Program		-	92,150
	Total Environmental Justice Government-to-Government (EJG2G) Program		32,914	275,531
66.437	Geographic Programs – Long Island Sound Program		113,956	135,485
66.442	Water Infrastructure Improvements for the Nation Small and Underserved Communities Emerging Contaminants Grant Program		9,395,464	10,981,872
66.444	Voluntary School and Child Care Lead Testing and Reduction Grant Program (SDWA 1464(d))		-	724,626
66.454	Water Quality Management Planning		193,386	218,233
66.456	National Estuary Program		1,187,503	1,922,070
66.472	Beach Monitoring and Notification Program Implementation Grants		-	266,779
66.605	Performance Partnership Grants		2,990,089	14,708,733
66.700	Consolidated Pesticide Enforcement Cooperative Agreements		-	578,387
66.701	Toxic Substances Compliance Monitoring Cooperative Agreements		-	156,253
66.707	TSCA Title IV State Lead Grants Certification of Lead-Based Paint Professionals		-	409,962
66.802	Superfund State, Political Subdivision, and Indian Tribe Site-Specific Cooperative Agreements		-	1,079,777
66.804	Underground Storage Tank (UST) Prevention, Detection, and Compliance Program		-	394,518
66.805	Leaking Underground Storage Tank Trust Fund Corrective Action Program		-	372,362
66.817	State and Tribal Response Program Grants		608,974	1,087,826
66.818	Brownfields Multipurpose, Assessment, Revolving Loan Fund, and Cleanup Cooperative Agreements		-	27,432
66.920	Solid Waste Infrastructure for Recycling Infrastructure Grants		-	242,835
66.959	Greenhouse Gas Reduction Fund: Solar for All		397,944	504,331
	<b>Total U.S. Environmental Protection Agency</b>		<b>15,488,163</b>	<b>36,588,637</b>
<b>U.S. Department of Energy:</b>				
81.041	State Energy Program		14,719	2,142,608
81.042	Weatherization Assistance for Low -Income Persons		13,767,757	14,971,233
81.086	Conservation Research and Development		-	93,895
81.117	Energy Efficiency and Renewable Energy Information Dissemination, Outreach, Training and Technical Analysis/Assistance		93,607	96,205
81.128	Energy Efficiency and Conservation Block Grant Program (EECBG)		286,646	421,045
81.138	State Heating Oil and Propane Program		-	44,218
	<b>Total U.S. Department of Energy</b>		<b>14,162,729</b>	<b>17,769,204</b>
<b>U.S. Department of Education:</b>				
84.002	Adult Education - Basic Grants to States		14,073,368	16,177,627
84.010	Title I Grants to Local Educational Agencies		254,494,392	269,250,690
84.011	Migrant Education State Grant Program		-	1,200,370
84.013	Title I State Agency Program for Neglected and Delinquent Children and Youth		1,052,649	1,390,988
84.048	Career and Technical Education -- Basic Grants to States		21,781,083	25,420,994
84.126	Rehabilitation Services Vocational Rehabilitation Grants to States		517,488	63,022,076
84.144	Migrant Education Coordination Program		-	14,369
84.161	Rehabilitation Services Client Assistance Program		-	180,541
84.177	Rehabilitation Services Independent Living Services for Older Individuals Who are Blind		-	687,429
84.181	Special Education-Grants for Infants and Families		3,021,818	8,653,369
84.187	Supported Employment Services for Individuals with the Most Significant Disabilities		-	310,721
84.196	Education for Homeless Children and Youth		1,599,429	1,779,640
84.282	Charter Schools		590,408	682,405
84.287	Twenty-First Century Community Learning Centers		16,279,544	17,718,659

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ALN	Program Name	Pass-through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
<b>U.S. Department of Education (continued):</b>				
84.305	Education Research, Development and Dissemination		\$ -	\$ 223,493
84.334	Gaining Early Awareness and Readiness for Undergraduate Programs		2,748,574	4,149,437
84.365	English Language Acquisition State Grants		19,237,618	20,340,589
84.367	Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)		23,659,678	26,637,806
84.368	Competitive Grants for State Assessments		-	328,244
84.369	Grants for State Assessments and Related Activities		-	7,707,730
84.371	Comprehensive Literacy Development		4,869,074	5,102,221
84.372	Statewide Longitudinal Data Systems		-	597,905
84.421	Disability Innovation Fund (DIF)		94,427	6,000,520
84.424	Student Support and Academic Enrichment Program		23,130,873	26,569,676
<b>Education Stabilization Fund</b>				
84.425C	COVID-19 - Governor's Emergency Education Relief (GEER I and II) Fund		-	912,668
84.425D	COVID-19 - Elementary and Secondary School Emergency Relief (ESSER I and II) Fund		178,315	178,315
84.425R	COVID-19 - Coronavirus Response and Relief Supplemental Appropriations Act, 2021- Emergency Assistance for Non-Public Schools (CRRSA EANS)		-	238,340
84.425U	COVID-19 - American Rescue Plan-Elementary and Secondary School Emergency Relief (ARP ESSER)		571,846,169	601,604,819
84.425V	COVID-19 - American Rescue Plan -Emergency Assistance to Non-Public Schools (ARP EANS) program		-	7,845,642
84.425W	COVID-19 - American Rescue Plan - Elementary and Secondary School Emergency Relief -Homeless Children and Youth		3,332,644	4,014,626
	Total Education Stabilization Fund		575,357,128	614,794,410
<i>Special Education Cluster (IDEA):</i>				
84.027	Special Education Grants to States		302,848,467	344,972,374
84.173	Special Education Preschool Grants		8,504,191	10,382,807
	Total Special Education Cluster (IDEA)		311,352,658	355,355,181
<b>Total U.S. Department of Education</b>			<b>1,273,860,209</b>	<b>1,474,297,090</b>
<b>National Archives and Records Administration:</b>				
89.003	National Historical Publications and Records Grants		5,365	39,634
<b>Total National Archives and Records Administration</b>			<b>5,365</b>	<b>39,634</b>
<b>U.S. Election Assistance Commission:</b>				
90.401	Help America Vote Act Requirements Payments		-	4,270,695
90.404	HAVA Election Security Grants		-	2,995,385
<b>Total U.S. Election Assistance Commission</b>			<b>-</b>	<b>7,266,080</b>
<b>U.S. Department of Health and Human Services:</b>				
93.008	Medical Reserve Corps Small Grant Program		-	544,267
93.042	Special Programs for the Aging, Title VII, Chapter 2, Long Term Care Ombudsman Services for Older Individuals		414,578	414,578
93.042	COVID-19 - Special Programs for the Aging, Title VII, Chapter 2, Long Term Care Ombudsman Services for Older Individuals		2,128	2,875
	Total Special Programs for the Aging, Title VII, Chapter 2, Long Term Care Ombudsman Services for Older Individuals		416,706	417,453
93.043	Special Programs for the Aging, Title III, Part D, Disease Prevention and Health Promotion Services		430,941	430,941
93.043	COVID-19 - Special Programs for the Aging, Title III, Part D, Disease Prevention and Health Promotion Services		422,872	422,872
	Total Special Programs for the Aging, Title III, Part D, Disease Prevention and Health Promotion Services		853,813	853,813

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<b><i>U.S. Department of Health and Human Services (continued):</i></b>				
93.048	COVID-19 - Special Programs for the Aging, Title IV, and Title II, Discretionary Projects		\$ -	\$ 1,107
93.052	National Family Caregiver Support, Title III, Part E		4,076,970	4,160,830
93.052	COVID-19 - National Family Caregiver Support, Title III, Part E		504,528	586,602
	Total National Family Caregiver Support, Title III, Part E		4,581,498	4,747,432
93.069	Public Health Emergency Preparedness		4,016,482	13,719,634
93.070	Environmental Public Health and Emergency Response		138,140	1,798,300
93.071	Medicare Enrollment Assistance Program		368,228	481,994
93.072	Lifespan Respite Care Program		-	251,903
93.073	Birth Defects and Developmental Disabilities - Prevention and Surveillance		-	619,528
93.078	Strengthening Emergency Care Delivery in the United States Healthcare System through Health Information and Promotion			
	Passed through Association of State and Territorial Health Officials	Q4PDHB7J12R8	-	132,647
	Total Strengthening Emergency Care Delivery in the United States Healthcare System through Health Information and Promotion		-	132,647
93.079	Cooperative Agreements to Promote Adolescent Health through School-Based HIV/STD Prevention and School-Based Surveillance		-	106,361
93.084	Prevention of Disease, Disability, and Death by Infectious Diseases		1,785,635	3,079,165
93.084	COVID-19 - Prevention of Disease, Disability, and Death by Infectious Diseases		4,475,384	4,968,567
	Total Prevention of Disease, Disability, and Death by Infectious Diseases		6,261,019	8,047,732
93.090	Guardianship Assistance		-	9,484,384
93.090	COVID-19 - Guardianship Assistance		-	254
	Total Guardianship Assistance		-	9,484,638
93.092	Affordable Care Act (ACA) Personal Responsibility Education Program		615,424	757,646
93.103	Food and Drug Administration Research		-	1,032,410
93.103	COVID-19 - Food and Drug Administration Research		-	-
	Total Food and Drug Administration Research		-	1,032,410
93.104	Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances (SED)		961,681	1,635,066
93.110	Maternal and Child Health Federal Consolidated Programs		1,180,379	2,751,807
93.110	COVID-19 - Maternal and Child Health Federal Consolidated Programs		920	715,750
	Total Maternal and Child Health Federal Consolidated Programs		1,181,299	3,467,557
93.116	Project Grants and Cooperative Agreements for Tuberculosis Control Programs		-	1,860,776
93.127	Emergency Medical Services for Children		25,285	186,142
93.130	Cooperative Agreements to States/Territories for the Coordination and Development of Primary Care Offices		-	280,687
93.135	Centers for Research and Demonstration for Health Promotion and Disease Prevention			
	Passed through Harvard University	UNVDZNF8R29	-	115,128
	Total Centers for Research and Demonstration for Health Promotion and Disease Prevention		-	115,128
93.136	Injury Prevention and Control Research and State and Community Based Programs		1,688,388	6,455,304
93.150	Projects for Assistance in Transition from Homelessness (PATH)		1,707,102	1,708,246
93.165	COVID-19 - Grants to States for Loan Repayment		-	789,966
93.184	Disabilities Prevention		-	613,796
93.197	Childhood Lead Poisoning Prevention Projects, State and Local Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children		-	570,481
93.217	Family Planning Services		5,045,250	5,567,967
93.234	Traumatic Brain Injury State Demonstration Grant Program		10,248	248,969
93.235	Title V State Sexual Risk Avoidance Education (Title V State SRAE) Program		449,995	743,736

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ALN	Program Name	Pass-through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
<b><i>U.S. Department of Health and Human Services (continued):</i></b>				
93.236	Grants to States to Support Oral Health Workforce Activities		\$ 211,105	\$ 503,550
93.240	State Capacity Building		-	299,416
93.241	State Rural Hospital Flexibility Program		-	427,851
93.243	Substance Abuse and Mental Health Services Projects of Regional and National Significance		5,490,610	9,603,803
93.243	COVID-19 - Substance Abuse and Mental Health Services Projects of Regional and National Significance		-	108,768
	Total Substance Abuse and Mental Health Services Projects of Regional and National Significance		5,490,610	9,712,571
93.251	Early Hearing Detection and Intervention		9,333	296,319
93.262	Occupational Safety and Health Program		-	9,929
93.268	Immunization Cooperative Agreements		266,305	104,681,501
93.268	COVID-19 - Immunization Cooperative Agreements		5,627,019	28,131,007
	Total Immunization Cooperative Agreements		5,893,324	132,812,508
93.270	Viral Hepatitis Prevention and Control		-	649,854
93.279	Drug Use and Addiction Research Programs		-	-
	Passed through Boston Medical Center	JZ8RQC4EMDZ5	-	71,033
	Passed through Baystate Medical Center	SKSBGBWWEJ95	-	22,621
	Passed through Trustees of Tufts College	DFMCQLDZHGB1	-	10,636
	Total Drug Use and Addiction Research Programs		-	104,290
93.301	Small Rural Hospital Improvement Grant Program		69,575	69,575
93.314	Early Hearing Detection and Intervention Information System (EHDI-IS) Surveillance Program		-	252,310
93.323	Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)		-	5,847,570
93.323	COVID-19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)		3,704,979	55,827,261
	Total Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)		3,704,979	61,674,831
93.324	State Health Insurance Assistance Program		659,075	1,013,519
93.387	National and State Tobacco Control Program		450,000	1,836,979
93.336	Behavioral Risk Factor Surveillance System		-	429,355
93.354	Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response		36,542	217,114
93.354	COVID-19 - Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response		-	6,290,811
	Total Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response		36,542	6,507,925
93.369	ACL Independent Living State Grants		-	482,794
93.369	COVID-19 - ACL Independent Living State Grants		-	51,090
	Total ACL Independent Living State Grants		-	533,884
93.391	COVID-19 - Activities to Support State, Tribal, Local and Territorial (STLT) Health Department Response to Public Health or Healthcare Crises		1,262,430	1,823,342
93.413	The State Flexibility to Stabilize the Market Grant Program		-	99,752
93.426	The National Cardiovascular Health Program		658,530	1,895,881
93.432	ACL Centers for Independent Living		-	1,908,526
93.434	Every Student Succeeds Act/Preschool Development Grants		250,000	7,423,305
93.421	Strengthening Public Health Systems and Services through National Partnerships to Improve and Protect the Nation's Health		-	-
	Passed through Center for Birth Defects Research and Prevention	NSJBSF68TBN5	-	285,928
	Total Strengthening Public Health Systems and Services through National Partnerships to Improve and Protect the Nation's Health		-	285,928
93.464	ACL Assistive Technology		-	660,692
93.464	COVID-19 - ACL Assistive Technology		-	80,000
	Total ACL Assistive Technology		-	740,692

**COMMONWEALTH OF MASSACHUSETTS  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2025**

ALN	Program Name	Pass-through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
<b><i>U.S. Department of Health and Human Services (continued):</i></b>				
93.493	Congressional Directives		\$ -	\$ 956,278
93.495	COVID-19 - Community Health Workers for Public Health Response and Resilient		1,320,214	1,815,671
93.497	COVID-19 - Family Violence Prevention and Services/ Sexual Assault/Rape Crisis Services and Supports		1,096,406	1,096,406
93.556	MaryLee Allen Promoting Safe and Stable Families Program		600,000	6,110,355
93.558	Temporary Assistance for Needy Families		-	353,346,505
93.563	Child Support Services		-	81,334,425
93.566	Refugee and Entrant Assistance State/Replacement Designee Administered Programs		24,631,554	98,245,834
93.568	Low -Income Home Energy Assistance		199,031,726	201,704,445
93.569	Community Services Block Grant		13,901,534	15,196,553
93.583	Refugee and Entrant Assistance Wilson/Fish Program		873,963	873,963
93.586	State Court Improvement Program		32,132	391,217
93.590	Community-Based Child Abuse Prevention Grants		882,665	943,546
93.590	COVID-19 - Community-Based Child Abuse Prevention Grants		1,239,945	1,285,254
	Total Community-Based Child Abuse Prevention Grants		2,122,610	2,228,800
93.595	Welfare Reform Research, Evaluations and National Studies		-	39,730
93.597	Grants to States for Access and Visitation Programs		-	189,260
93.599	Chafee Education and Training Vouchers Program (ETV)		-	862,016
93.599	COVID-19 - Chafee Education and Training Vouchers Program (ETV)		-	293,475
	Total Chafee Education and Training Vouchers Program (ETV)		-	1,155,491
93.603	Adoption and Legal Guardianship Incentive Payments Program		-	1,373,905
93.630	Developmental Disabilities Basic Support and Advocacy Grants		125,045	1,381,276
93.630	COVID-19 - Developmental Disabilities Basic Support and Advocacy Grants		350	29,041
	Total Developmental Disabilities Basic Support and Advocacy Grants		125,395	1,410,317
93.634	Support for Ombudsman and Beneficiary Counseling Programs for States Participating in Financial Alignment Model Demonstrations for Dually Eligible Individuals		241,383	616,694
93.643	Children's Justice Grants to States		-	462,998
93.645	Stephanie Tubbs Jones Child Welfare Services Program		-	2,670,432
93.658	Foster Care Title IV-E		-	127,171,643
93.659	Adoption Assistance		-	54,209,981
93.659	COVID-19 - Adoption Assistance		-	4,308
	Total Adoption Assistance		-	54,214,289
93.667	Social Services Block Grant		-	79,202,990
93.669	Child Abuse and Neglect State Grants		-	1,994,766
93.671	Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services		2,496,473	2,553,583
93.671	COVID-19 - Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services		677,809	677,809
	Total Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services		3,174,282	3,231,392
93.674	John H. Chafee Foster Care Program for Successful Transition to Adulthood		-	3,387,094
93.698	Elder Justice Act – Adult Protective Services		-	142,130
93.747	Elder Abuse Prevention Interventions Program		-	91,765
93.747	COVID-19 - Elder Abuse Prevention Interventions Program		243,230	2,212,607
	Total Elder Abuse Prevention Interventions Program		243,230	2,304,372
93.767	Children's Health Insurance Program		-	800,974,655
93.771	State Grants for the Implementation, Enhancement, and Expansion of Medicaid and CHIP School-Based Services		-	500,000

**COMMONWEALTH OF MASSACHUSETTS  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2025**

ALN	Program Name	Pass-through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
<b>U.S. Department of Health and Human Services (continued):</b>				
93.788	Opioid STR		\$ 52,034,884	\$ 64,195,228
93.791	Money Follow s the Person Rebalancing Demonstration		837,131	31,428,401
93.800	Organized Approaches to Increase Colorectal Cancer Screening		-	540,861
93.810	Paul Coverdell National Acute Stroke Program National Center for Chronic Disease Prevention and Health Promotion		-	658,293
93.817	Hospital Preparedness Program (HPP) Ebola Preparedness and Response Activities			
	Passed through Mass General Brigham	YS8MKJGJN857	-	4,971
	Total Hospital Preparedness Program (HPP) Ebola Preparedness and Response Activities		-	4,971
93.870	Maternal, Infant and Early Childhood Home Visiting Grant		7,623,042	9,794,483
93.870	COVID-19 - Maternal, Infant and Early Childhood Home Visiting Grant		604,108	624,578
	Total Maternal, Infant and Early Childhood Home Visiting Grant		8,227,150	10,419,061
93.889	National Bioterrorism Hospital Preparedness Program		2,730,458	4,309,937
93.898	Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations		149,024	1,833,175
93.913	Grants to States for Operation of State Offices of Rural Health		39,500	225,348
93.917	HIV Care Formula Grants		12,420,382	37,263,821
93.940	HIV Prevention Activities Health Department Based		3,635,207	9,440,546
93.944	Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance		116,691	443,548
93.946	Cooperative Agreements to Support State-Based Safe Motherhood and Infant Health Initiative Programs		-	671,906
93.958	Block Grants for Community Mental Health Services		18,895,768	21,456,419
93.958	COVID-19 - Block Grants for Community Mental Health Services		5,923,793	13,847,618
	Total Block Grants for Community Mental Health Services		24,819,561	35,304,037
93.959	Block Grants for Prevention and Treatment of Substance Abuse		23,384,933	46,742,336
93.959	COVID-19 - Block Grants for Prevention and Treatment of Substance Abuse		10,524,514	12,262,575
	Total Block Grants for Prevention and Treatment of Substance Abuse		33,909,447	59,004,911
93.967	Centers for Disease Control and Prevention Collaboration with Academia to Strengthen Public Health		7,500	3,934,963
93.967	COVID-19 - Centers for Disease Control and Prevention Collaboration with Academia to Strengthen Public Health		6,248,740	10,953,757
	Total Centers for Disease Control and Prevention Collaboration with Academia to Strengthen Public Health		6,256,240	14,888,720
93.977	Sexually Transmitted Diseases (STD) Prevention and Control Grants		-	1,900,587
93.977	COVID-19 - Sexually Transmitted Diseases (STD) Prevention and Control Grants		30,000	1,934,442
	Total Sexually Transmitted Diseases (STD) Prevention and Control Grants		30,000	3,835,029
93.978	Sexually Transmitted Diseases (STD) Provider Education Grants		-	810,657
93.988	Cooperative Agreements for Diabetes Control Programs		196,171	992,038
93.991	Preventive Health and Health Services Block Grant		835,490	4,814,346
93.994	Maternal and Child Health Services Block Grant to the States		1,063,126	10,698,675
93.997	Assisted Outpatient Treatment		664,378	664,378
<i>Aging Cluster:</i>				
93.044	Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers		8,959,587	10,036,874
93.044	COVID-19 - Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers		3,197,429	3,202,796
	Total Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers		12,157,016	13,239,670

**COMMONWEALTH OF MASSACHUSETTS  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2025**

ALN	Program Name	Pass-through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
<b>U.S. Department of Health and Human Services (continued):</b>				
<i>Aging Cluster (continued):</i>				
93.045	Special Programs for the Aging, Title III, Part C, Nutrition Services		\$ 17,071,277	\$ 17,094,054
93.045	COVID-19 - Special Programs for the Aging, Title III, Part C, Nutrition Services		2,890,297	2,890,297
	Total Special Programs for the Aging, Title III, Part C, Nutrition Services		19,961,574	19,984,351
93.053	Nutrition Services Incentive Program		3,416,810	4,035,842
	Total Aging Cluster		35,535,400	37,259,863
<i>CCDF Cluster:</i>				
93.575	Child Care and Development Block Grant		172,784,480	222,214,485
93.575	COVID-19 - Child Care and Development Block Grant		-	3,451,007
	Total Child Care and Development Block Grant		172,784,480	225,665,492
93.596	Child Care Mandatory and Matching Funds of the Child Care and Development Fund		90,612,916	91,122,916
	Total CCDF Cluster		263,397,396	316,788,408
<i>Head Start Cluster :</i>				
93.600	Head Start		-	141,651
	Total Head Start Cluster		-	141,651
<i>Medicaid Cluster:</i>				
93.775	State Medicaid Fraud Control Units		-	5,792,396
93.777	State Survey and Certification of Health Care Providers and Suppliers (Title XV III) Medicare		-	15,388,392
93.778	Grants to States for Medicaid		-	15,367,056,398
93.778	COVID-19 - Grants to States for Medicaid		-	47,347,369
	Total Grants to States for Medicaid		-	15,414,403,767
	Total Medicaid Cluster		-	15,435,584,555
	<b>Total U.S. Department of Health and Human Services</b>		<b>741,308,126</b>	<b>18,225,117,752</b>
<b>Social Security Administration:</b>				
96.008	Social Security - Work Incentives Planning and Assistance Program		-	235,299
<i>Disability Insurance/SSI Cluster:</i>				
96.001	Social Security Disability Insurance		-	51,121,580
	Total Disability Insurance/SSI Cluster		-	51,121,580
	<b>Total Social Security Administration</b>		-	<b>51,356,879</b>
<b>U.S. Department of Homeland Security:</b>				
97.008	Non-Profit Security Program		4,407,595	4,407,595
97.012	Boating Safety Financial Assistance		-	2,232,912
97.023	Community Assistance Program State Support Services Element (CAP-SSSE)		-	415,114
97.029	Flood Mitigation Assistance		228,323	228,323
97.036	Disaster Grants - Public Assistance (Presidentially Declared Disasters)		1,828,799	2,303,586
97.036	COVID-19 - Disaster Grants - Public Assistance (Presidentially Declared Disasters)		290,756,112	657,775,712
	Total Disaster Grants - Public Assistance (Presidentially Declared Disasters)		292,584,911	660,079,298
97.039	Hazard Mitigation Grant		2,093,178	2,137,819
97.039	COVID-19 - Hazard Mitigation Grant		-	331,695
	Total Hazard Mitigation Grant		2,093,178	2,469,514
97.041	National Dam Safety Program		-	50,682
97.042	Emergency Management Performance Grants		3,313,251	8,111,971
97.043	State Fire Training Systems Grants		-	19,646
97.047	BRIC: Building Resilient Infrastructure and Communities		2,771,568	3,198,992
97.052	Emergency Operations Center		-	281,505
97.056	Port Security Grant Program		-	1,251,978
97.067	Homeland Security Grant Program		22,591,453	27,025,562

**COMMONWEALTH OF MASSACHUSETTS  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2025**

ALN	Program Name	Pass-through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
<b><i>U.S. Department of Homeland Security (continued):</i></b>				
97.091	Homeland Security Bio watch Program		\$ -	\$ 709,130
97.111	Regional Catastrophic Preparedness Grant Program (RCPGP)		-	312,311
97.137	State and Local Cybersecurity Grant Program Tribal Cybersecurity Grant Program		194,828	358,814
97.141	Shelter and Services Program		-	5,995,058
<b><i>Total U.S. Department of Homeland Security</i></b>			<b><u>328,185,107</u></b>	<b><u>717,148,405</u></b>
<i>Research And Development Program Cluster:</i>				
<b><i>U.S. Department of Health and Human Services:</i></b>				
93.073	Birth Defects and Developmental Disabilities - Prevention and Surveillance		355,422	858,995
93.103	Food and Drug Administration Research		-	591,243
93.153	Coordinated Services and Access to Research for Women, Infants, Children, and Youth		348,833	533,674
93.262	Occupational Safety and Health Program		-	721,651
93.876	Antimicrobial Resistance Surveillance in Retail Food Specimens		-	183,556
93.946	Cooperative Agreements to Support State-Based Safe Motherhood and Infant Health Initiative Programs		-	185,312
Total U.S. Department of Health and Human Services			<u>704,255</u>	<u>3,074,431</u>
<i>Total Research And Development Program Cluster</i>			<u>704,255</u>	<u>3,074,431</u>
<b>Total Expenditures of Federal Awards</b>			<b><u>\$3,859,881,516</u></b>	<b><u>\$ 28,769,475,197</u></b>

**COMMONWEALTH OF MASSACHUSETTS  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2025**

**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, 2025 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, 2025.

**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. 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, 2025**

**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 be reconciled 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	\$ 383,066
10.551	Supplemental Nutrition Assistance Program	2,618,616,353
10.555	National School Lunch Program	52,298,945
10.558	Child and Adult Care Food Program	5,230
93.268	Immunization Cooperative Agreements	94,532,297
	Total Noncash Awards	<u>\$ 2,765,835,891</u>

Commodity inventories for the Food Donation Program at June 30, 2025 totaled \$197,335.

**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	\$ 2,116,859,772
Federal UI Funds - Benefits	6,635,638
Federal UI Funds - Administration	75,660,997
COVID-19 - Federal UI Funds - Benefits	565,246
COVID-19 - Federal UI Funds - Administration	2,669,971
Total Expenditures	<u>\$ 2,202,391,624</u>

**COMMONWEALTH OF MASSACHUSETTS  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2025**

**NOTE 7 DE MINIMIS COST RATE**

The Commonwealth does not use the 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 Investment Partnerships 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 2025 loan activity is as follows:

Balance Beginning	Additions	Deletions	Balance Ending
<u>\$ 287,636,866</u>	<u>\$ 9,566,852</u>	<u>\$ (533,312)</u>	<u>\$ 296,670,406</u>

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

**NOTE 9 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 require state matching funds. For the year ended June 30, 2025, the amount included in the accompanying schedule for Disaster Grants – Public Assistance (Assistance Listing 97.036) includes \$359,659,972 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 2025, the Commonwealth received cash rebates from infant formula manufacturers in the amount of \$27,748,149 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, 2025**

**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	\$ 222,214,485
CCDF Mandatory and Matching	91,122,916
CCDF ARP Supplemental	3,451,007
Total Expenditures	<u>\$ 316,788,408</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 \$20,325,296 in Emergency Housing Vouchers (EHV) under the Housing Choice Voucher Program (Assistance Listing 14.871.)

**COMMONWEALTH OF MASSACHUSETTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2025**

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

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

***Federal Awards***

- |   |                  |                               |  |
|---|------------------|-------------------------------|--|
| 1. Internal control over major federal programs:  |                  |                               |  |
| • Material weakness(es) identified?   | <u>  X  </u> yes | <u>        </u> no            |  |
| • Significant deficiency(ies) identified?   | <u>  X  </u> yes | <u>        </u> 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)? | <u>  X  </u> yes | <u>        </u> no            |  |

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

\$ 43,154,213

Auditee qualified as low-risk auditee?

         yes        X   no

**COMMONWEALTH OF MASSACHUSETTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2025**

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

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**Identification of Major Programs**

Major Program	Assistance Listing	Opinion
Summer Electronic Benefits Transfer Program for Children	10.646	Unmodified
Child Nutrition Cluster	10.555, 10.559, 10.582	Qualified
SNAP Cluster	10.551, 10.561	Unmodified
Moving to Work Demonstration Program	14.881	Unmodified
Unemployment Insurance	17.225	Qualified
Employment Service Cluster	17.207, 17.801	Qualified
WIOA Cluster	17.258, 17.259, 17.278	Qualified
Coronavirus State and Local Fiscal Recovery Funds	21.027	Unmodified
Grants to States for Construction of State Home Facilities	64.005	Unmodified
Rehabilitation Services - Vocational Rehabilitation Grants to States	84.126	Unmodified
Education Stabilization Fund	84.425	Qualified
Aging Cluster	93.044, 93.045, 93.053	Qualified
Immunization Cooperative Agreements	93.268	Qualified
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	Qualified
Child Support Enforcement	93.563	Unmodified
CCDF Cluster	93.575, 93.596	Qualified
Adoption Assistance	93.659	Unmodified
Children's Health Insurance Program	93.767	Qualified
Medicaid Cluster	93.775, 93.777, 93.778	Unmodified
Opioid STR	93.788	Unmodified
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	Qualified

**COMMONWEALTH OF MASSACHUSETTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2025**

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

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**Finding 2025-001**

Executive Office of Labor and Workforce Development

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

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

Repeat Finding: Yes, 2024-001

**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 accounting information system, and providing the Office of the Comptroller with year-end adjustments and accruals (GAAP package) to facilitate the Office of the Comptroller's preparation of the ACFR in accordance with accounting principles generally accepted in the United States of America (GAAP).

In previous years, our audit procedures revealed widespread deficiencies in accounting and financial reporting, leading to delayed and inaccurate information. One key issue was insufficient controls over the timely reconciliation of cash and benefit payments. We also previously identified that:

- EOLWD's GAAP package for the Unemployment Compensation Trust Fund was not submitted on time, and it required several revisions based on the Office of the Comptroller's review before it could be audited.
- EOLWD lacked formal written procedures for monthly or annual financial closing and reporting, especially regarding the reconciliation of activities and accounts to MMARS and preparation of the annual GAAP package for the Office of the Comptroller.

In fiscal year 2025, the Office of the Comptroller hired a third party Certified Public Accountant to oversee preparation of the Fund's annual GAAP financial statement and complete the 2025 GAAP package for the Office of the Comptroller. The third party conducted the necessary annual reconciliations to ensure reported amounts were properly substantiated.

The addition of this professional resource significantly improved the timing and quality of the financial statements and related GAAP package. While this is a positive outcome, it is critical that EOLWD develops the ability to fulfill these requirements independently on a year-round basis, rather than only at year-end. For example, monthly reconciliations continue to not be performed and EOLWD does not have formal written processes for monthly or annual financial closing and reporting as they relate to reconciling activity and accounts to MMARS or preparing the GAAP package for the Office of the Comptroller.

**COMMONWEALTH OF MASSACHUSETTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2025**

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

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**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:** There is a risk that the Fund's financial statements will be misstated if a qualified third party is not engaged in the financial reporting process. In addition, because reconciliations are not performed until year-end, management may make financial decisions during the year based on incomplete or inaccurate information.

**Cause:** Lack of formal written processes for monthly and annual financial closing and reporting as they relate to reconciling activity and accounts to MMARS or preparing the GAAP package for the Office of the Comptroller.

**Recommendation:** We strongly 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 strongly recommend EOLWD design and implement procedures to ensure that the annual GAAP package submitted to the Office of the Comptroller 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:** EOLWD acutely understands our responsibility for maintaining the books and records of the Unemployment Compensation Trust Fund (Fund). To this end, EOLWD Finance has and continues to implement internal controls and to adhere to existing standard operating procedures (SOPs) for monthly reconciliation of accounts and balances of the Fund's delegated system to unemployment insurance bank accounts and MMARS/MOSAIC monthly. Beginning in FY26, EOLWD has and continues to produce quarterly cash basis financial reporting for the Fund 45 days after the end of the quarter, in collaboration with the Office of the Comptroller.

With respect to development of annual GAAP package for the Fund, EOLWD Finance continues to work with the Department of Unemployment Assistance (DUA) to establish clearer documentation and

**COMMONWEALTH OF MASSACHUSETTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2025**

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

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procedures for the GAAP package, in light of the now completed second phase of the modernized online Unemployment Insurance (UI) system, known as EMT. As per guidance and in collaboration with the Office of the Comptroller, EOLWD expects to produce the annual GAAP package for review by the Office of the Comptroller in October 2026.

**COMMONWEALTH OF MASSACHUSETTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2025**

**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 Number	Internal Control		Compliance	Compliance Requirement
				Material Weakness	Significant Deficiency		
Child Nutrition Cluster	U.S.D.A. (10)	10.555, 10.559, 10.582	2025-002	X		X	Reporting - FFATA
Employment Service Cluster	U.S. DOL (17)	17.207, 17.801	2025-003	X		X	Reporting - FFATA
Employment Service Cluster	U.S. DOL (17)	17.207, 17.801	2025-004	X		X	Reporting - VETS-402(A/B)
Employment Service Cluster	U.S. DOL (17)	17.207, 17.801	2025-005		X	X	Allowable Costs/Cost Principles - Time and Effort Reporting
Employment Service Cluster	U.S. DOL (17)	17.207, 17.801	2025-006		X	X	Reporting - ETA 9130
Unemployment Insurance	U.S. DOL (17)	17.225	2025-007	X		X	Reporting - ETA 2112
Unemployment Insurance	U.S. DOL (17)	17.225	2025-008		X	X	Reporting - ETA 2208A
Unemployment Insurance	U.S. DOL (17)	17.225	2025-009		X	X	Reporting - ETA 9052
Unemployment Insurance	U.S. DOL (17)	17.225	2025-010		X	X	Reporting - ETA 9130
Unemployment Insurance	U.S. DOL (17)	17.225	2025-011		X	X	Special Tests & Provisions - UI Benefit Payments
Unemployment Insurance	U.S. DOL (17)	17.225	2025-012		X		Special Tests & Provisions - UI Reemployment Programs: RESEA
Unemployment Insurance	U.S. DOL (17)	17.225	2025-013		X	X	Special Tests and Provisions: UI Program Integrity – Overpayments
Employment Service Cluster WIOA Cluster	U.S. DOL (17)	17.207, 17.801 17.258, 17.259, 17.278	2025-014		X		Allowable Costs/Cost Principles - Indirect Costs
WIOA Cluster	U.S. DOL (17)	17.258, 17.259, 17.278	2025-015	X		X	Reporting - FFATA
WIOA Cluster	U.S. DOL (17)	17.258, 17.259, 17.278	2025-016	X		X	Reporting - ETA 9130
WIOA Cluster	U.S. DOL (17)	17.258, 17.259, 17.278	2025-017		X	X	Allowable Costs/Cost Principles - Time and Effort Reporting
WIOA Cluster	U.S. DOL (17)	17.258, 17.259, 17.278	2025-018		X		Allowable Costs/Cost Principles - Time and Effort Reporting Earmaking
WIOA Cluster	U.S. DOL (17)	17.258, 17.259, 17.278	2025-019		X	X	Subrecipient Monitoring
Education Stabilization Fund	U.S. DOE (84)	84.425D, U	2025-020	X		X	Reporting - FFATA
Aging Cluster	U.S HHS (93)	93.044, 93.045, 93.053	2025-021	X		X	Reporting - Financial
Aging Cluster	U.S HHS (93)	93.044, 93.045, 93.053	2025-022	X		X	Reporting - FFATA
Aging Cluster	U.S HHS (93)	93.044, 93.045, 93.053	2025-023	X		X	Subrecipient Monitoring

**COMMONWEALTH OF MASSACHUSETTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2025**

***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 Number	Internal Control		Compliance	Compliance Requirement
				Material Weakness	Significant Deficiency		
Aging Cluster	U.S HHS (93)	93.044, 93.045, 93.053	2025-024		X		Matching
Immunization Cooperative Agreements	U.S HHS (93)	93.268	2025-025	X		X	Reporting - FFATA
Epidemiology and Laboratory Capacity for Infectious Diseases	U.S HHS (93)	93.323	2025-026	X		X	Reporting - FFATA
Epidemiology and Laboratory Capacity for Infectious Diseases	U.S HHS (93)	93.323	2025-027	X		X	Subrecipient Monitoring
Epidemiology and Laboratory Capacity for Infectious Diseases	U.S HHS (93)	93.323	2025-028		X		Reporting
CCDF Cluster	U.S HHS (93)	93.575, 93.596	2025-029	X		X	Special Tests and Provisions – Written Agreements as part of Program Integrity and Accountability
CCDF Cluster	U.S HHS (93)	93.575, 93.596	2025-030	X		X	Reporting - FFATA
Adoption Assistance	U.S HHS (93)	93.659	2025-031		X	X	Eligibility
Children's Health Insurance Program (CHIP)	U.S HHS (93)	93.767	2025-032	X		X	Allowable Activities/Allowable Costs, Special Tests & Provisions - Provider Eligibility
Medicaid Cluster	U.S HHS (93)	93.775, 93.777, 93.778	2025-033		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	2025-034		X	X	Eligibility
Opioid STR	U.S HHS (93)	93.788	2025-035		X	X	Subrecipient Monitoring
Disaster Grants – Public Assistance (Presidentially Declared Disasters)	U.S DHS (97)	97.036	2025-036	X		X	Reporting - FFATA

**COMMONWEALTH OF MASSACHUSETTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2025**

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

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**Reference Number:** 2025-002  
**Prior Year Finding:** No  
**Federal Agency:** U.S. Department of Agriculture  
**State Agency:** Department of Elementary and Secondary Education  
**Federal Program:** Child Nutrition Cluster  
**Assistance Listing Number:** 10.555, 10.582  
**Award Number and Year:** 254MA303N1099 (10/1/2024-9/30/2025)  
254MA303N1199 (10/1/2024-9/30/2025)  
254MA300L1603 (10/1/2024-9/30/2025)  
**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. On March 8, 2025, FSRS.gov was retired, and all subaward reporting data and functionality transitioned to SAM.gov after that date.

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, 2025**

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

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**Condition:**

The Department of Elementary and Secondary Education (Department) did not report subaward information in SAM.gov.

**Context:**

Twelve of forty subawards selected for testing were not reported in SAM.gov. The Department did not complete any FFATA reporting after FSRS reporting transitioned to SAM.gov in March 2025 resulting in subaward reporting not being completed for subawards issued after February 2025.

Transactions Tested	Subaward not reported	Report not timely	Subaward amount incorrect	Subaward missing key elements
40	12	0	0	0
Dollar Amount of Tested Transactions	Subaward not reported	Report not timely	Subaward amount incorrect	Subaward missing key elements
\$4,392,764	\$768,587	\$0	\$0	\$0

**Cause:**

The Department did not update its procedures and controls regarding subaward reporting after FSRS reporting transitioned to SAM.gov in March 2025.

**Effect:**

Subawards were not reported to FSRS.

**Questioned costs:**

None noted.

**Recommendation:**

We recommend the Department develop procedures and internal controls to ensure that all required subawards are reported timely and accurately to SAM.gov no later than the end of the month following the month of issuance of each subaward. If the Department is unable to complete reporting in SAM.gov, it should follow up with the Service Desk and consult with their federal award contacts for assistance and guidance.

**Views of responsible officials:**

There is no disagreement with the finding.

**COMMONWEALTH OF MASSACHUSETTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2025**

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

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**Reference Number:** 2025-003  
**Prior Year Finding:** 2024-007  
**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:** 24A55WP000063 (7/1/2024 – 9/30/2027), 23555DV000008 (10/1/2022 – 12/31/2024), 23555DV000005 (7/1/2023 - 9/30/2026)  
**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. On March 8, 2025, FSRS.gov was retired, and all subaward reporting data and functionality transitioned to SAM.gov after that date.

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, 2025**

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

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**Condition:**

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

**Context:**

Nine of nine subawards selected for testing were not reported in accordance with FFATA reporting requirements. Specifically, we noted the following:

- 6 of 9 subawards were not reported within the required timeframe. These subawards were not reported until after they were selected for testing by the auditors. Two subawards were due to be reported by 11/30/2024 and four subawards were due to be reported by 2/28/2025. These subawards were reported on 11/21/2025, which was subsequent to when the requests to review the reports were made by the auditors.
- 3 of 9 subaward modifications were not reported. These modifications included two increases to the original subaward of less than \$30,000 and one decrease to the original subaward of less than \$30,000. The original subawards were greater than \$30,000 requiring any modifications to the subaward, regardless of the dollar value, to be reported.

Transactions Tested	Subaward not reported	Report not timely	Subaward amount incorrect	Subaward missing key elements
9	3	6	0	0
Dollar Amount of Tested Transactions	Subaward not reported	Report not timely	Subaward amount incorrect	Subaward missing key elements
\$2,878,237	\$26,611	\$2,851,626	\$0	\$0

**Cause:**

The Department’s procedures and controls were not sufficient to ensure that subawards were reported timely nor that subaward modifications less than \$30,000 were reported.

**Effect:**

The Department omitted subaward amendments from FFATA reporting and did not report other subawards until after they were selected by auditors for testing. Auditors note that the Department’s corrective action plan from the prior audit had not yet been fully implemented in FY 2025.

**Questioned costs:**

None.

**Recommendation:**

We recommend the Department complete implementation of its corrective action plan from the prior year. The Department should implement procedures and internal controls to ensure that all required subawards and subaward modifications are reported no later than the end of the month following the month of issuance.

**Views of responsible officials:**

There is no disagreement with the finding.

**COMMONWEALTH OF MASSACHUSETTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2025**

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

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**Reference Number:** 2025-004  
**Prior Year Finding:** 2024-009  
**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:** 2355DV000008-01-00 (10/1/2022 – 12/31/2024)  
24555DV000087 (10/1/2023 – 12/31/2025)  
25555DV000114 (10/1/2024 – 9/30/2025)  
**Compliance Requirement:** Reporting – VETS-402(A/B)  
**Type of Finding:** Material Weakness in Internal Control Over Compliance, Material Noncompliance

**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:**

Five of five reports selected for testing did not agree with supporting documentation. Numerous variances were noted in multiple sections of the reports filed for the 12/31/2024 and 3/31/2025 quarters.

- For the 12/31/2024 reports, variances were noted in the following line items:
  - Section B: Allocations by Activity specific to Local Veterans Employment Representatives and Management and Administrative Costs
  - Section C: Outlays and Obligations by Activity specific to Line C.1 Disabled Veterans Outreach Program (DVOP) for funded DVOP positions, DVOP salaries paid, total DVOP outlays, and DVOP unliquidated obligations, Line C.3 Local Veterans Employment Representatives (LVER) for funded LVER positions, LVER salaries paid, LVER benefits paid, and total LVER outlay and Line C.5 Management and Administrative Costs for management and administrative outlays and management and administrative unliquidated obligations.

**COMMONWEALTH OF MASSACHUSETTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2025**

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

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- For the 3/31/2025 reports, variances were noted in the following line items:
  - Section C: Outlays and Obligations by Activity specific to Line C.1 Disabled Veterans Outreach Program (DVOP) for funded DVOP positions, DVOP unliquidated obligations and Line C.3 Local Veterans Employment Representatives (LVER) for LVER salaries paid, LVER benefits paid, and total LVER outlay line items.

**Cause:**

The Department's procedures were not sufficient to ensure that reports agreed with supporting documentation. Internal controls did not prevent or detect the errors. Auditors noted that the Department has not completed implementation of their corrective action plan from the prior year.

**Effect:**

Numerous line items in quarterly reports tested did not agree with supporting documentation.

**Questioned costs:**

Undetermined.

**Recommendation:**

We recommend the Department complete implementation of its corrective action plan from the prior year. Procedures and internal controls over reporting should be sufficient to ensure that reports are accurate and agree with supporting documentation.

**Views of responsible officials:**

There is no disagreement with the finding.

**COMMONWEALTH OF MASSACHUSETTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2025**

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

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<b>Reference Number:</b>	2025-005
<b>Prior Year Finding:</b>	No
<b>Federal Agency:</b>	U.S. Department of Labor
<b>State Agency:</b>	Executive Office of Labor and Workforce Development
<b>Federal Program:</b>	Employment Service Cluster
<b>Assistance Listing Number:</b>	17.207, 17.801
<b>Award Number and Year:</b>	23A55WP000005 (7/1/2023 – 9/30/2026) 24A55WP000063 (7/1/2024 – 9/30/2027)
<b>Compliance Requirement:</b>	Allowable Costs/Cost Principles – Time and Effort Reporting
<b>Type of Finding:</b>	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,
- 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, 2025**

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

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**Condition:**

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

**Context:**

Four of forty timesheets selected for testing charged costs to the program based on budgeted rates instead of actual time worked per employee timesheets. 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). Specifically, we noted the following:

- 2 of 40 employee timesheets selected for testing did not use combination codes and the employees' time was defaulted to a budgeted grant allocation rather than the employees' actual time and effort on the program.
- 2 of 40 employee timesheets selected for testing had a bilingual differential and were missing combination codes. The payment was not based on the employee's timesheet but instead was based on a budgeted percentage of time. One employee's time was overcharged by 25% and the other was overcharged by 40%.

**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.

**Questioned costs:**

\$5,389, the amount overcharged to the program based on budgeted time rather than actual time recorded on employee timesheets.

**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:**

There is no disagreement with the finding.

**COMMONWEALTH OF MASSACHUSETTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2025**

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

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**Reference Number:** 2025-006  
**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:** 23A55WP000005 (7/1/2023 – 9/30/2026)  
**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); in this case, Employment Service and Unemployment Insurance Programs (Employment Service Cluster). 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 (Department) did not agree to supporting documentation.

**Context:**

One of seven ETA 9130 reports selected for testing did not agree with supporting documentation. Specifically, unliquidated obligations reported for program FES2024 in the 6/30/2024 quarter did not agree to underlying records.

**Cause:**

The Department’s procedures were not sufficient to ensure that the ETA 9130 report was accurate and agreed with supporting documentation. Internal controls did not prevent or detect the error.

**Effect:**

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

**Questioned costs:**

Undetermined.

**COMMONWEALTH OF MASSACHUSETTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2025**

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

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**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:**

There is no disagreement with the finding.

**COMMONWEALTH OF MASSACHUSETTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2025**

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

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**Reference Number:** 2025-007  
**Prior Year Finding:** No  
**Federal Agency:** U.S. Department of Labor  
**State Agency:** Executive Office of Labor and Workforce Development  
**Federal Program:** Unemployment Insurance  
**Assistance Listing Number:** 17.225  
**Award Number and Year:** UI372292255A25 (10/1/2021 – 12/31/2024)  
UI393282355A25 (10/1/2022 – 12/31/2025)  
23A55UI039328 (10/1/2022 – 12/31/2025)  
24A55UI00054 (10/1/2023 – 12/31/2026)  
25A55UI000099 (10/1/2024 – 12/31/2027)  
**Compliance Requirement:** Reporting – ETA 2112, UI Financial Transaction Summary  
**Type of Finding:** Material Weakness in Internal Control Over Compliance, Material Noncompliance

**Criteria or specific requirement:**

*Compliance: ETA 2112, UI Financial Transaction Summary (OMB No. 1205-0154) – Per ET Handbook 401, 5<sup>th</sup> Edition, Form ETA 2112 is a monthly summary of transactions in a state unemployment fund which consists of the Clearing Account, Unemployment Trust Fund (UTF) Account, and Benefit Payment Account. All payments by employers (and employees where applicable) into a state unemployment fund for contributions, payments in lieu of contributions, and special assessments should be accounted for in the report. Penalty and interest should be reported if deposited into the clearing account and transferred to the UTF. Funds received from the Federal Employees Compensation Account (FECA) and the Extended Unemployment Compensation Account (EUCA) as advances or reimbursements for Federal benefit obligations paid through the benefit payment account should be identified and reported in appropriate line items. All funds deposited into, transferred, or paid from the state unemployment fund (the state clearing account, the state account in the UTF, and the state benefit payment account) should be reflected on the ETA 2112 except for payments/benefits paid under the Alternative Trade Adjustment Assistance (ATAA) and Trade Adjustment Assistance (TAA) programs. Form ETA 2112 provides a summary of data pertaining to state unemployment insurance (UI) tax collections, regular benefits paid, Federal and state shares of extended benefits paid, Federal temporary program benefits paid, and other transactions affecting the UTF. In addition, it reflects specific areas where adjustments are indicated to determine the adequacy of resources available for regular unemployment benefit payments. Data from this form are also used with data from other statistical reports to study trends in financial aspects of the UI program and as a basis for solvency studies. This report is due the 1st day of the second month following the month of reference.*

*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, 2025**

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

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**Condition:**

ETA 2112, UI Financial Transaction Summary reports submitted by the Executive Office of Labor and Workforce Development (Department) did not agree to supporting documentation.

**Context:**

Four ETA 2112 reports were selected for testing. For 2 of the 4 reports tested, we noted the following exceptions:

- For 1 of the 4 reports tested, the incorrect amount was reported on Line 28 (Other Sources #4) for Item D. Clearing Account. The report was overstated by \$56,283.
- For 1 of the 4 reports tested, the amounts on Line 11 (Net UI Contributions), Line 19 (Reimb Local Govt/Indian Tribes) and Line 21 (Reimbursement Non-Profit) under Item D. Clearing Account did not agree to supporting documentation. While the total amount agrees overall, each individual line item does not reconcile to the supporting documentation.

**Questioned costs:**

Undetermined.

**Cause:**

The Department's procedures were not sufficient to ensure that ETA 2112 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.

**Recommendation:**

The Department should review its procedures to ensure that ETA 2112 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:**

There is no disagreement with the finding.

**COMMONWEALTH OF MASSACHUSETTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2025**

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

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**Reference Number:** 2025-008  
**Prior Year Finding:** No  
**Federal Agency:** U.S. Department of Labor  
**State Agency:** Executive Office of Labor and Workforce Development  
**Federal Program:** Unemployment Insurance  
**Assistance Listing Number:** 17.225  
**Award Number and Year:** UI372292255A25 (10/1/2021 – 12/31/2024)  
UI393282355A25 (10/1/2022 – 12/31/2025)  
23A55UI039328 (10/1/2022 – 12/31/2025)  
24A55UI00054 (10/1/2023 – 12/31/2026)  
25A55UI000099 (10/1/2024 – 12/31/2027)  
**Compliance Requirement:** Reporting – ETA 2208A – Quarterly UI Above-Base Report  
**Type of Finding:** Significant Deficiency in Internal Control over Compliance, Other Matters

**Criteria or specific requirement:**

*Compliance: ETA 2208A, Quarterly UI Above-Base Report (OMB No. 1205-0132)* – Quarterly report of staff years worked and paid by program category. Reports are due no later than 30 days after the end of each quarter.

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

**Condition:**

ETA 2208A – Quarterly UI Above-Base Reports submitted by the Executive Office of Labor and Workforce Development (Department) contained multiple data entry and calculation errors.

**Context:**

Three ETA 2208A reports were selected for testing for each of the 9/30/2024 and 12/31/2024 quarters for a total of six ETA 2208A reports tested. The ETA 2208A is commonly referred to as the “UI-3,” which is the legacy name for the report. Exceptions were identified in 2 of the 6 reports selected for testing. Specifically, we noted the following:

- For 1 of 3 reports selected for the 9/30/2024 quarter, the incorrect number was input on "Line 1 Initial Claims" of the ETA UI-3 Additional Benefits report. The total workload reported was 232 and should have been 268. In addition, "Line 2 weeks claims" for the UI-3 Additional Benefits report was incorrectly reported. The number on the underlying support was 3,661 and the reported total workload was 3,361.
- For 1 of 3 reports selected for the 12/31/2024 quarter, the incorrect number was input on "Line 1 Initial Claims" of the UI-3 Additional Benefits report. The total workload reported was 233 and should have been 305. In addition, the underlying support for “Line 1. Initial Claims” reported total workload of 1 for Unemployment Compensation for Federal Employees for the month of December 2024, but should have been reported as 0.

**COMMONWEALTH OF MASSACHUSETTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2025**

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

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**Questioned costs:**

Undetermined.

**Cause:**

The Department's procedures were not sufficient to ensure that ETA 2208A 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.

**Recommendation:**

The Department should review and update its reporting procedures and controls to ensure that ETA 2208A 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:**

There is no disagreement with the finding.

**COMMONWEALTH OF MASSACHUSETTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2025**

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

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<b>Reference Number:</b>	2025-009
<b>Prior Year Finding:</b>	No
<b>Federal Agency:</b>	U.S. Department of Labor
<b>State Agency:</b>	Executive Office of Labor and Workforce Development
<b>Federal Program:</b>	Unemployment Insurance
<b>Assistance Listing Number:</b>	17.225
<b>Award Number and Year:</b>	UI372292255A25 (10/1/2021 – 12/31/2024) UI393282355A25 (10/1/2022 – 12/31/2025) 23A55UI039328 (10/1/2022 – 12/31/2025) 24A55UI00054 (10/1/2023 – 12/31/2026) 25A55UI000099 (10/1/2024 – 12/31/2027)
<b>Compliance Requirement:</b>	ETA 9052 – Nonmonetary Determination Time Lapse Detection
<b>Type of Finding:</b>	Significant Deficiency in Internal Control over Compliance, Other Matters

**Criteria or specific requirement:**

*Compliance: ETA 9052, Nonmonetary Determination Time Lapse Detection* - The ETA 9052 report contains monthly information on the time it takes states to issue nonmonetary determinations from the date the issues are first detected by the agency. Single-claimant and multi-claimant non-monetary determinations are included in the report. Nonmonetary determinations made by organizational units such as Benefits Accuracy Measurement (BAM) and Benefit Payment Control (BPC) are also included in the report. Note: Overpayment notices on uncontested earnings detected by any method (e.g., crossmatch) should not be included. The report is submitted electronically to the ETA National Office on the 20th of the month following the month to which the data relates.

*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 was unable to provide documentation that the ETA 9052 – Nonmonetary Determination Time Lapse Detection report was submitted timely.

**Context:**

Four monthly ETA 9052 reports were selected for testing. Specifically, we noted the following:

- For 1 of 4 reports selected for testing, the Department was unable to provide support that the report was submitted timely. The report for the month of May 2025 had a submission due date of June 20, 2025. The Department did not maintain a copy of the original report and auditors were unable to verify the submission date. After the original submission, the Department discovered a reporting error caused by a system transition, and the Department submitted a revised report on July 22, 2025.

**COMMONWEALTH OF MASSACHUSETTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2025**

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

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**Questioned costs:**

Undetermined.

**Cause:**

The Department's internal controls were insufficient to ensure that copies of submitted reports were retained.

**Effect:**

The untimely submission of required federal reports resulted in noncompliance with federal reporting requirements.

**Recommendation:**

The Department should review and update its reporting procedures and controls to ensure that ETA 9052 - Nonmonetary Determination Time Lapse Detection reports are submitted timely and that copies of report submissions are maintained and are readily available for audit. Reports should be reviewed for accuracy prior to submission.

**Views of responsible officials:**

There is no disagreement with the finding.

**COMMONWEALTH OF MASSACHUSETTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2025**

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

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**Reference Number:** 2025-010  
**Prior Year Finding:** No  
**Federal Agency:** U.S. Department of Labor  
**State Agency:** Executive Office of Labor and Workforce Development  
**Federal Program:** Unemployment Insurance  
**Assistance Listing Number:** 17.225  
**Award Number and Year:** 24A55UI00054 (10/1/2023 – 12/31/2026)  
**Compliance Requirement:** Reporting – ETA 9130, Financial Status Report, UI Programs  
**Type of Finding:** Significant Deficiency in Internal Control over Compliance, Other Matters

**Criteria or specific requirement:**

*Compliance: ETA 9130, Financial Status Report, UI Programs (OMB No. 1205-0461)* – The ETA 9130 report is used to report program and administrative expenditures. All ETA grantees are required to submit quarterly financial reports for each grant award which they operate, including standard program and pilot, demonstration, and evaluation projects. Financial data is required to be reported cumulatively from grant inception through the end of each reporting period. A separate ETA 9130 is submitted for each of the following: UI, PEUC, and PUA Administration, DUA, TRA/RTAA, and UI Projects (administration and benefits).

*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 Status Reports for UI Programs submitted by the Executive Office of Labor and Workforce Development (Department) did not agree to supporting documentation.

**Context:**

Eight ETA 9130 reports were selected for testing. For 1 of the 8 reports tested, we noted the following exception:

- Expenditures related to the Interdepartmental Service Agreements (ISA) object class were not included in “Line G Federal Share of Unliquidated Obligations” of the report. The supporting documentation for the report included the object class ISA in the amount of federal share of unliquidated obligations; however, this was not included in the report.

**Questioned costs:**

Undetermined.

**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.

**COMMONWEALTH OF MASSACHUSETTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2025**

---

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

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**Effect:**

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

**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:**

There is no disagreement with the finding.

**COMMONWEALTH OF MASSACHUSETTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2025**

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

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**Reference Number:** 2025-011  
**Prior Year Finding:** 2024-005  
**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)  
UI393282355A25 (10/1/2022 – 12/31/2025)  
23A55UI039328 (10/1/2022 – 12/31/2025)  
24A55UI00054 (10/1/2023 – 12/31/2026)  
25A55UI000099 (10/1/2024 – 12/31/2027)  
**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, 2025**

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

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**Condition:**

The Executive Office of Labor and Workforce Development (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 90 days. We noted that 92% of cases tested (55 of 60 cases) were closed within 90 days, which is less than the required 95%.

**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. Auditors note that the Department's corrective action plan from the prior audit had not yet been fully implemented in FY 2025.

**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 complete implementation of its corrective action plan from the prior year. 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.

**Views of responsible officials:**

There is no disagreement with the finding.

**COMMONWEALTH OF MASSACHUSETTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2025**

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

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**Reference Number:** 2025-012  
**Prior Year Finding:** 2024-006  
**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)  
UI393282355A25 (10/1/2022 – 12/31/2025)  
23A55UI039328 (10/1/2022 – 12/31/2025)  
24A55UI00054 (10/1/2023 – 12/31/2026)  
25A55UI000099 (10/1/2024 – 12/31/2027)  
23A60UR000009 (1/1/2023 – 9/30/2025)  
24A60UR000073 (1/1/2024 – 9/30/2026)  
25A60UR000122 (1/1/2025 – 6/30/2027)  
**Compliance Requirement:** Special Tests and Provisions: UI Reemployment Programs:  
RESEA  
**Type of Finding:** Significant Deficiency in Internal Control Over Compliance

**Criteria or specific requirement:**

*Compliance:* Per 42 U.S. Code § 506 (a) The Secretary of Labor (in this section referred to as the “Secretary”) shall award grants under this section for a fiscal year to eligible States to conduct a program of reemployment services and eligibility assessments for individuals referred to reemployment services as described in section 503(j) of this title for weeks in such fiscal year for which such individuals receive unemployment compensation. Further, per 42 U.S. Code § 506 (c) (1), In carrying out a State program of reemployment services and eligibility assessments using grant funds awarded to the State under this section, a State shall use such funds only for interventions demonstrated to reduce the number of weeks for which program participants receive unemployment compensation by improving employment outcomes for program participants.

The UI program serves as one of the principal “gateways” to the workforce system. It is often the first workforce program accessed by individuals who need workforce services. The Worker Profiling and Reemployment Services (WPRS) and Reemployment Services and Eligibility Assessments (RESEA) programs serve as UI’s primary programs that facilitate the reemployment needs of UI claimants.

RESEA is authorized by Section 306 of the Social Security Act and builds on the success of RESEA’s predecessor, the former UI Reemployment and Eligibility Assessment (REA) program. RESEA uses an evidence-based integrated approach that combines an eligibility assessment for continuing UI eligibility and the provision of reemployment services. State administration of the RESEA is voluntary and under certain circumstances may be designed to also satisfy WPRS requirements. Operating guidance for the RESEA program is updated annually. UIPL 10-22 provides RESEA operating Guidance for FY 2022. RESEA-related performance reports are due on the 20th day of the second month following the end of the reporting quarter. A state UI staff member must review these reports for accuracy each calendar quarter and prior to submission, in addition to being reviewed by the RESEA program lead (if a different staff member).

**COMMONWEALTH OF MASSACHUSETTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2025**

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

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

**Condition:**

The Department did not review performance reports prior to submission.

**Context:**

The Department lacks a formalized process for validating the accuracy of quarterly performance reports. Consequently, there was no documentation available to confirm that these reports were reviewed prior to submission.

**Questioned costs:**

Undetermined.

**Cause:**

The Department’s procedures and controls were not sufficient to ensure it met RESEA program and reporting requirements. The Department does not have a formal process to validate the accuracy of quarterly performance reports. Auditors note that the Department’s corrective action plan from the prior audit had not yet been fully implemented in FY 2025.

**Effect:**

The Department was unable to demonstrate that it was operating the RESEA program in accordance with federal requirements.

**Recommendation:**

We recommend the Department complete implementation of its corrective action plan from the prior year. We recommend the Department review and enhance procedures and controls to ensure that RESEA program requirements are met. We further recommend the Department develop a formal process to review quarterly performance reports for accuracy prior to submission.

**Views of responsible officials:**

There is no disagreement with the finding.

**COMMONWEALTH OF MASSACHUSETTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2025**

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

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**Reference Number:** 2025-013  
**Prior Year Finding:** No  
**Federal Agency:** U.S. Department of Labor  
**State Agency:** Executive Office of Labor and Workforce Development  
**Federal Program:** Unemployment Insurance  
**Assistance Listing Number:** 17.225  
**Award Number and Year:** UI372292255A25 (10/1/2021 – 12/31/2024)  
UI393282355A25 (10/1/2022 – 12/31/2025)  
23A55UI039328 (10/1/2022 – 12/31/2025)  
24A55UI00054 (10/1/2023 – 12/31/2026)  
25A55UI000099 (10/1/2024 – 12/31/2027)  
**Compliance Requirement:** Special Tests and Provisions: UI Program Integrity –  
Overpayments  
**Type of Finding:** Significant Deficiency in Internal Control over Compliance, Other  
Matters

**Criteria or specific requirement:**

*Compliance:* States are (1) required to impose a monetary penalty (not less than 15 percent) on claimants whose fraudulent acts resulted in overpayments, and (2) states are prohibited from providing relief from charges to an employer’s Unemployment Insurance (UI) account when overpayments are the result of the employer’s failure to respond timely or adequately to a request for information. States may continue to waive recovery of overpayments in certain situations and must continue to offer the individual a fair hearing prior to recovery. In addition, states may approve “blanket waivers” where individuals are eligible for payment under an unemployment benefit program for a given week, but through no fault of the individual, they were paid incorrectly under either the PUA or PEUC program at a higher WBA, or specific to PUA, when, through no fault of the individual, the state paid the individual a minimum WBA based on DUA guidance other than UIPL No. 03-20 (UIPL No. 20-21, section 4.d.ii).

Program requirements for overpayments include the State must identify the basis for the overpayment consistent with its written procedures. An overpayment memorandum is created summarizing the details of the overpayment and submitted to UI cross-match staff or claims deputy for review. Upon review, the overpayment is established, and a Deputy Decision or WVUC-B-14-J Overpayment Determination is generated and sent to the claimant.

*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 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 Labor and Workforce Development (Department) was not in compliance with program requirements for recovering overpayments.

**COMMONWEALTH OF MASSACHUSETTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2025**

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

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**Context:**

Sixty overpayment claims were selected for testing. For 10 of 60 claims selected for testing we noted multiple errors were identified regarding overpayments documentation and recovery. Specifically, we noted the following:

- For 5 of 60 claims, the claim was the result of a claimant error related to fault or fraud. The claimant was not being charged interest on the overpayment as required.
- For 3 of 60 claims, the incorrect cause of the overpayment was reported in the system.
- For 1 of 60 claims, there was a penalty balance charged to the claimant although the overpayment was not the result of fault or fraud.

**Questioned costs:**

Undetermined.

**Cause:**

The Department's procedures and controls are not sufficient to ensure that overpayments are recovered in accordance with program requirements. Staff are not adequately trained in proper handling of overpayment documentation and recovery.

**Effect:**

Failure to recover overpayments in accordance with federal requirements compromises the integrity and sustainability of the UI program. Unrecovered overpayments reduce funds available to pay legitimate benefits, increase the risk of fraud and improper payments, and undermine compliance with federal program standards.

**Recommendation:**

The Department should perform staff training and strengthen its procedures and controls to ensure overpayments are identified, recorded, and recovered in a timely manner and in full compliance with federal requirements.

**Views of responsible officials:**

There is no disagreement with the finding.

**COMMONWEALTH OF MASSACHUSETTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2025**

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

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**Reference Number:** 2025-014  
**Prior Year Finding:** No  
**Federal Agency:** U.S. Department of Labor  
**State Agency:** Executive Office of Labor and Workforce Development  
**Federal Program:** WIOA Cluster, 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 (4/1/2022 – 6/30/2025)  
23A55AW000048 (7/1/2023 – 6/30/2026)  
23A55AY000020 (4/1/2023 – 6/30/2026)  
23A55WP000005 (7/1/2023 – 9/30/2026)  
24A55WP000063 (7/1/2024 – 9/30/2027)  
25A55WP000139 (7/1/2025 - 9/30/2028)  
24A55WG000092 ((7/1/2024 – 9/30/2027)  
23A55WG000028 (7/1/2023 – 9/30/2026)  
ES387362255A25 (7/1/2022 - 9/30/2025)  
25555DV000114 (10/1/2024 - 9/30/2025)  
24555DV000087 (10/1/2023 - 12/31/2025)  
23555DV000008 (10/1/2022 - 12/31/2024)  
**Compliance Requirement:** Allowable Costs/Cost Principles – Indirect Costs  
**Type of Finding:** Significant Deficiency in Internal Control Over Compliance

**Criteria or specific requirement:**

*Compliance:* Per 2 CFR Part 200, Appendix V, all costs and other data used to distribute costs included in the central service cost allocation plan should be supported by formal accounting and other records that will support the propriety of the costs assigned to Federal awards.

Per 2 CFR Part 200, Appendix VII C.1.b., where a governmental unit's department or agency has several major functions which benefit from its indirect costs in varying degrees, the allocation of indirect costs may require the accumulation of such costs into separate cost groupings which then are allocated individually to benefitted functions by means of a base which best measures the relative degree of benefit. The indirect costs allocated to each function are then distributed to individual Federal awards and other activities included in that function by means of an indirect cost rate(s).

*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 supporting the calculation of its internal negotiated indirect cost rate (NICR) which was approved by the U.S. Department of Labor and was in effect for FY 2025.

**COMMONWEALTH OF MASSACHUSETTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2025**

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

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**Context:**

WIOA Cluster:

For 32 of 40 reimbursement requests selected for testing, the Department applied the approved internal NICR in effect for FY 2025. Auditors recalculated the NICR using supporting documentation provided by the Department and determined that the rate was 6.60% but the rate submitted to and approved by the U.S. Department of Labor was 4.19%. The Department was unable to provide documentation for how the 4.19% rate was calculated.

Employment Service Cluster:

For 32 of 40 reimbursement requests selected for testing, the Department applied the approved internal NICR in effect for FY 2025. Auditors recalculated the NICR using supporting documentation provided by the Department and determined that the rate was 6.60% but the rate submitted to and approved by the U.S. Department of Labor was 4.19%. The Department was unable to provide documentation for how the 4.19% rate was calculated.

**Cause:**

The Department's procedures and internal controls were not operating effectively to ensure that it properly calculated its NICR nor that it maintained appropriate documentation supporting the rate calculation. The department indicated the lack of supporting documentation for the 4.19% rate was due to staff turnover.

**Effect:**

The rate supported by documentation was 6.60%, but the rate submitted to the U.S. Department of Labor was 4.19%, resulting in the Department receiving lower indirect cost reimbursement than it was entitled to.

**Questioned costs:**

None. The approved indirect cost rate was properly applied, but was lower than the rate calculated using supporting documentation.

**Recommendation:**

The Department should review and enhance its procedures and internal controls regarding the calculation of its negotiated indirect cost rate and for maintaining documentation supporting the rate calculation. This documentation should be readily available for audit.

**Views of responsible officials:**

There is no disagreement with the finding.

**COMMONWEALTH OF MASSACHUSETTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2025**

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

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**Reference Number:** 2025-015  
**Prior Year Finding:** 2024-010  
**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:** 24A55AW000097 (7/1/2024 – 6/30/2027)  
AA-38535-22-55-A-25 (4/1/2022 – 6/30/2025)  
24A55AT000067 (7/1/2024 – 6/30/2027)  
24A55AY000057 (4/1/2024 – 6/30/2027)  
23A55AY000020 (4/1/2023 – 6/30/2026)  
**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. On March 8, 2025, FSRS.gov was retired, and all subaward reporting data and functionality transitioned to SAM.gov after that date.

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, 2025**

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

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**Condition:**

The Executive Office of Labor and Workforce Development (Department) did not report subaward information timely and did not have evidence of review and approval of FFATA reports prior to report submission.

**Context:**

Ten subawards were selected for testing and several of these subawards were modified after the initial award, for a total of fourteen subaward transactions tested. Nine of fourteen subaward transactions tested were not reported in accordance with FFATA requirements. Specifically, we noted the following:

- 9 of 14 subaward transactions were not reported timely. The subaward transactions were reported from one to seven months after the due date.
- For 2 of 14 subaward transactions, the Department was unable to produce documentation supporting review and approval of the FFATA reports prior to submission.

Transactions Tested	Subaward not reported	Report not timely	Subaward amount incorrect	Subaward missing key elements
14	0	9	0	0
Dollar Amount of Tested Transactions	Subaward not reported	Report not timely	Subaward amount incorrect	Subaward missing key elements
\$9,323,033	\$0	\$5,703,796	\$0	\$0

**Cause:**

The Department’s procedures and controls were not sufficient to ensure that subaward transactions were reported timely nor that the FFATA report submissions were reviewed and approved prior to submission. Auditors note that the Department’s corrective action plan from the prior audit had not yet been fully implemented in FY 2025.

**Effect:**

Subawards were not reported in accordance with FFATA requirements.

**Questioned costs:**

None.

**Recommendation:**

We recommend the Department complete implementation of its corrective action plan from the prior year. The Department’s procedures and internal controls should ensure that all required FFATA report submissions are reviewed, approved and subsequently reported timely no later than the end of the month following the month of issuance of the subaward or subaward modification. Documentation of implemented controls should be readily available for audit.

**Views of responsible officials:**

There is no disagreement with the finding.

**COMMONWEALTH OF MASSACHUSETTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2025**

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

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**Reference Number:** 2025-016  
**Prior Year Finding:** 2024-011  
**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:** 23A55AT000036 (7/1/2023 – 6/30/2026)  
24A55AW000097 (7/1/2024 – 6/30/2027)  
AA-38535-22-55-A-25 (4/1/2022 – 6/30/2025)  
24A55AT000067 (7/1/2024 – 6/30/2027)  
23A55AW000048 (7/1/2023 – 6/30/2026)  
**Compliance Requirement:** Reporting – ETA 9130 – Financial Report  
**Type of Finding:** Material Weakness in Internal Control Over Compliance, Material Noncompliance

**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 (Department) did not agree to supporting documentation.

**Context:**

Nine ETA 9130 reports were selected for testing, which included three reports for the Adult program, four reports for the Dislocated Worker program, and two reports for the Youth program. For 7 of the 9 reports tested, exceptions were noted for several line items on each report. Specifically, we noted the following exceptions:

**COMMONWEALTH OF MASSACHUSETTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2025**

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

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- 3 of 3 reports for the Adult program did not agree to supporting documentation. The discrepancies were found in the following line items:
  - Federal share of expenditure
  - Total administration expenditures
  - Federal share unobligated obligations
  - Total program income earned
  - Program income expended in accordance with the addition method
- 3 of 4 reports for the Dislocated Worker program did not agree to support documentation. The discrepancies were found in the following line items:
  - Federal share of expenditure
  - Total administration expenditures
  - Federal share unobligated obligations
  - Total program income earned
  - Program income expended in accordance with the addition method
  - Real property proceeds expended
- 1 of 2 reports for the Youth program did not agree to supporting documentation. The discrepancies were found in the following line items:
  - Recapture funds expended
  - Program income expended in accordance with the addition method

**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. Auditors note that the Department's corrective action plan from the prior audit had not yet been fully implemented in FY 2025.

**Effect:**

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

**Questioned costs:**

Undetermined.

**Recommendation:**

We recommend the Department complete implementation of its corrective action plan from the prior year. 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:**

There is no disagreement with the finding.

**COMMONWEALTH OF MASSACHUSETTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2025**

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

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<b>Reference Number:</b>	2025-017
<b>Prior Year Finding:</b>	2024-013
<b>Federal Agency:</b>	U.S. Department of Labor
<b>State Agency:</b>	Executive Office of Labor and Workforce Development
<b>Federal Program:</b>	WIOA Cluster
<b>Assistance Listing Number:</b>	17.258, 17.259, 17.278
<b>Award Number and Year:</b>	24A55AW000097 (7/1/2024 – 6/30/2027) 23A55AW000048 (7/1/2023 – 6/30/2026) AA-38535-22-55-A-25 (7/1/2022 – 6/30/2025)
<b>Compliance Requirement:</b>	Allowable Costs/Cost Principles – Time and Effort Reporting
<b>Type of Finding:</b>	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,
- 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, 2025**

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

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**Condition:**

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

**Context:**

Two of sixty timesheets selected for testing charged costs to the program based on budgeted rates instead of actual time worked per employee timesheets. 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). For these two transactions, the employee had a bilingual differential and was missing combination codes. Payment was not based on the employee timesheets of 55% worked on the program but instead was based on a budgeted percentage of time of 100%. The program was therefore overcharged by 45% for the bilingual differential portion of the employee payroll.

**Cause:**

The Department's controls were not operating effectively to ensure that time and effort reporting was performed in accordance with federal requirements. Auditors note that the Department's corrective action plan from the prior audit had not yet been fully implemented in FY 2025.

**Effect:**

Noncompliance occurred as payroll charges allocated to the grants were not reflective of actual activity for which the employees were compensated.

**Questioned costs:**

\$72, the amount overcharged to the program for the pay period tested for the bilingual differential.

**Recommendation:**

We recommend the Department complete implementation of its corrective action plan from the prior year. 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:**

There is no disagreement with the finding.

**COMMONWEALTH OF MASSACHUSETTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2025**

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

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**Reference Number:** 2025-018  
**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:** 24A55AW000097 (7/1/2024 – 6/30/2027)  
23A55AW000048 (7/1/2023 – 6/30/2026)  
AA-38535-22-55-A-25 (7/1/2022 – 6/30/2025)  
**Compliance Requirement:** Allowable Costs/Cost Principles – Time and Effort Reporting  
Earmarking  
**Type of Finding:** Significant Deficiency in Internal Control Over Compliance

**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,
- 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.

Earmarking – Statewide Activities: 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 29 USC 3164(b) or statewide employment and training activities for adults or dislocated workers under 29 USC 3174(a) (29 USC 3163(a), 128 Stat. 1502).

**COMMONWEALTH OF MASSACHUSETTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2025**

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

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

**Condition:**

The Executive Office of Labor and Workforce Development (the Department) does not have procedures to ensure it does not exceed the 15% limit for statewide activities.

**Context:**

The Department does not have controls in place to track or monitor the Governor's Discretionary Funds (GDF) to ensure expenditures charged against this allotment, whether through direct timesheets or payroll adjustments, do not exceed the required 15% limit across all programs within the WIOA Cluster.

**Cause:**

The Department lacks sufficient procedures or controls to ensure that it does not exceed the 15% limit for statewide activities.

**Effect:**

Failure to track or monitor the GDF could result in the Department exceeding the 15% limit for statewide activities.

**Questioned costs:**

None noted. The Department did not exceed the 15% limit.

**Recommendation:**

We recommend the Department develop procedures and controls to ensure expenditures coded to the GDF from timesheets or manual adjustments do not exceed the 15% limit.

**Views of responsible officials:**

There is no disagreement with the finding.

**COMMONWEALTH OF MASSACHUSETTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2025**

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

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**Reference Number:** 2025-019  
**Prior Year Finding:** 2024-014  
**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 (4/1/2022 – 6/30/2025)  
23A55AY000020 (4/2/2023 – 6/30/2026)  
23A55AT000036 (7/1/2023 – 6/30/2026)  
23A55AW000048 (7/1/2023 – 6/30/2026)  
24A55AY000057 (4/1/2024 – 6/30/2027)  
24A55AT000067 (7/1/2024 – 6/30/2027)  
24A55AW000097 (7/1/2024 – 6/30/2027)  
**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(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 Labor and Workforce Development (Department) omitted required federal award information from subawards it issued to their subrecipients.

**Context:**

For six of six subawards selected for testing, the subaward agreement did not include the federal award date for when the Federal agency awarded the funds to the prime recipient.

**Cause:**

The Department’s procedures and internal controls were not sufficient to ensure that subawards included all required information in accordance with 2 CFR section 200.332.

**COMMONWEALTH OF MASSACHUSETTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2025**

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

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**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 information 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:**

Undetermined.

**Recommendation:**

We recommend the Department review and enhance internal controls and procedures to ensure that required information is included in its subawards. In its FY 2024 corrective action plan, the Department indicated that it had revised its documented internal controls and procedures to correct the prior year finding. We recommend that the Department revisit its procedures and controls and update as needed to ensure that the federal award date is included in all subaward agreements.

**Views of responsible officials:**

There is no disagreement with the finding.

**COMMONWEALTH OF MASSACHUSETTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2025**

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

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**Reference Number:** 2025-020  
**Prior Year Finding:** No  
**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  
COVID-19 – American Rescue Plan-Elementary and Secondary School Emergency Relief (ARP ESSER)  
**Assistance Listing Number:** 84.425D, 84.425U  
**Award Number and Year:** S425D210025 (1/6/2021 – 3/31/2025)  
S425U210025 (3/4/2021 – 3/28/2026)  
**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. On March 8, 2025, FSRS.gov was retired, and all subaward reporting data and functionality transitioned to SAM.gov after that date.

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, 2025**

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

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**Condition:**

The Department of Elementary and Secondary Education (Department) did not report subaward information in accordance with FFATA requirements.

**Context:**

Twelve of forty subawards selected for testing were not reported timely. The subawards were reported from 1 day to 423 days late.

Transactions Tested	Subaward not reported	Report not timely	Subaward amount incorrect	Subaward missing key elements
60	0	30	0	0
Dollar Amount of Tested Transactions	Subaward not reported	Report not timely	Subaward amount incorrect	Subaward missing key elements
\$360,724,363	\$0	\$153,855,376	\$0	\$0

**Cause:**

The Department’s procedures and controls were not sufficient to ensure that subawards were reported no later than the end of the month following the month of issuance.

**Effect:**

Subawards were not reported timely in accordance with FFATA reporting requirements.

**Questioned costs:**

None noted.

**Recommendation:**

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

**Views of responsible officials:**

There is no disagreement with the finding.

**COMMONWEALTH OF MASSACHUSETTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2025**

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

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**Reference Number:** 2025-021  
**Prior Year Finding:** No  
**Federal Agency:** U.S. Department of Health and Human Services  
**State Agency:** Executive Office of Aging and Independence  
**Federal Program:** Aging Cluster  
**Assistance Listing Number:** 93.044, 93.045, 93.053  
**Award Number and Year:** 2101MASSC6 (4/1/2021 - 9/30/2024)  
2101MAHDC6 (4/1/2021 - 9/30/2024)  
2101MACMC6 (4/1/2021 - 9/30/2024)  
2201MAOASS (10/1/2021 - 9/30/2024)  
2201MAOAPH (10/1/2021 - 9/30/2024)  
2201MAOAHD (10/1/2021 - 9/30/2024)  
2201MAOANS (10/1/2021 - 9/30/2024)  
2201MAOACM (10/1/2021 - 9/30/2024)  
2301MAOACM (10/1/2022 - 9/30/2024)  
2301MAOAHD (10/1/2022 - 9/30/2024)  
2301MAOAPH (10/1/2022 - 9/30/2025)  
2301MAOASS (10/1/2022 - 9/30/2024)  
2401MAOANS (10/1/2023 - 9/30/2025)  
2401MAOASS (10/1/2023 - 9/30/2025)  
2401MAOACM (10/1/2023 - 9/30/2025)  
2401MAOAHD (10/1/2023 - 9/30/2025)  
2501MAOANS (10/1/2024 - 9/30/2026)  
2501MAOASS (10/1/2024 - 9/30/2026)  
2501MAOACM (10/1/2024 - 9/30/2026)  
2501MAOAHD (10/1/2024 - 9/30/2026)  
**Compliance Requirement:** Reporting - Financial  
**Type of Finding:** Material Weakness in Internal Control Over Compliance, Material Noncompliance

**Criteria or specific requirement:**

*Compliance: Standard Form 425* - The submission of interim federal financial reports (FFR) will be on a quarterly, semi-annual, or annual basis, as directed by the Federal agency. A final *FFR* shall be submitted at the completion of the award agreement. The following reporting period end dates shall be used for interim reports: 3/31, 6/30, 9/30, or 12/31. For final *FFRs*, the reporting period end date shall be the end date of the project or grant period. Quarterly and semi-annual interim reports shall be submitted no later than 30 days after the end of each reporting period. Annual reports shall be submitted no later than 90 days after the end of each reporting period. Final reports shall be submitted no later than 90 days after the project or grant period end date.

*Administration for Community Living (ACL)/Administration of Aging (AoA) Title III Supplemental Form to SF-425:* Final reports should be marked on the supplemental when a final has been submitted in the current and/or prior reporting periods. State Agencies are required to complete the Supplemental Form to the SF-425 Title III. States which are a Single State Planning and Service Area and do not have Area Agencies on Aging (AAA) are also required to complete the ACL/AoA Supplemental Form with each submission. This includes all lines and columns, except where a line is specifically designated for an

**COMMONWEALTH OF MASSACHUSETTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2025**

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

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Area Agency on Aging (AAA). The totals for each Part should total back to the ITEM on the SF425 form.

*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 Aging and Independence (Department) failed to submit Federal Financial Reports (FFRs) and Title III Supplemental Form to SF-425 as required by the program.

**Context:**

Eleven of fourteen FFRs required to be submitted by the Department during FY 2025 were not submitted. The Department submitted reports only for awards 2201MAOACM, 2201MAOAHD, and 2201MAOASS. Three of four Title III Supplemental Form to SF-425 required to be submitted by the Department during FY 2025 were not submitted. The Department only submitted a report related to 2022.

**Questioned costs:**

Undetermined.

**Cause:**

The Department does not have procedures or internal controls to ensure that FFRs and Title III Supplemental Form to SF-425 are submitted as required by the program.

**Effect:**

FFRs were not submitted for approximately 80% of the grant awards issued to the Department and Title III Supplemental Form to SF-425 were not submitted for approximately 75% of the open grant years.

**Recommendation:**

We recommend the Department develop procedures and internal controls to ensure that it submits reports for all grant awards it receives for the program, in accordance with its grant agreements.

**Views of responsible officials:**

There is no disagreement with the finding.

**COMMONWEALTH OF MASSACHUSETTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2025**

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

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**Reference Number:** 2025-022  
**Prior Year Finding:** 2024-016  
**Federal Agency:** U.S. Department of Health and Human Services  
**State Agency:** Executive Office of Aging and Independence  
**Federal Program:** Aging Cluster  
**Assistance Listing Number:** 93.044, 93.045, 93.053  
**Award Number and Year:** 2101MASSC6 (4/1/2021 - 9/30/2024)  
 2101MAHDC6 (4/1/2021 - 9/30/2024)  
 2101MACMC6 (4/1/2021 - 9/30/2024)  
 2201MAOASS (10/1/2021 - 9/30/2024)  
 2201MAOAPH (10/1/2021 - 9/30/2024)  
 2201MAOAHD (10/1/2021 - 9/30/2024)  
 2201MAOANS (10/1/2021 - 9/30/2024)  
 2201MAOACM (10/1/2021 - 9/30/2024)  
 2301MAOACM (10/1/2022 - 9/30/2024)  
 2301MAOAHD (10/1/2022 - 9/30/2024)  
 2301MAOAPH (10/1/2022 - 9/30/2025)  
 2301MAOASS (10/1/2022 - 9/30/2024)  
 2401MAOANS (10/1/2023 - 9/30/2025)  
 2401MAOASS (10/1/2023 - 9/30/2025)  
 2401MAOACM (10/1/2023 - 9/30/2025)  
 2401MAOAHD (10/1/2023 - 9/30/2025)  
 2501MAOANS (10/1/2024 - 9/30/2026)  
 2501MAOASS (10/1/2024 - 9/30/2026)  
 2501MAOACM (10/1/2024 - 9/30/2026)  
 2501MAOAHD (10/1/2024 - 9/30/2026)  
**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. On March 8, 2025, FSRS.gov was retired, and all subaward reporting data and functionality transitioned to SAM.gov after that date.

**COMMONWEALTH OF MASSACHUSETTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2025**

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

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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).

**Condition:**

The Executive Office of Aging and Independence (Department) did not report subaward information per FFATA requirements.

**Context:**

The Department informed auditors that no subawards were reported. Therefore, a sample was unavailable for testing.

**Cause:**

The Department does not have procedures or controls regarding subaward reporting in accordance with FFATA requirements. Auditors noted that the Department’s corrective action plan from the prior audit had not been completed.

**Effect:**

Subawards were not reported in accordance with FFATA requirements.

**Questioned costs:**

None noted.

**Recommendation:**

We recommend the Department complete implementation of its corrective action plan from the prior year. We recommend the Department develop procedures and internal controls to ensure that all required subawards are reported timely and accurately no later than the end of the month following the month of issuance of each subaward.

**Views of responsible officials:**

There is no disagreement with the finding.

**COMMONWEALTH OF MASSACHUSETTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2025**

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

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**Reference Number:** 2025-023  
**Prior Year Finding:** 2024-018  
**Federal Agency:** U.S. Department of Health and Human Services  
**State Agency:** Executive Office of Aging and Independence  
**Federal Program:** Aging Cluster  
**Assistance Listing Number:** 93.044, 93.045, 93.053  
**Award Number and Year:** 2101MASSC6 (4/1/2021 - 9/30/2024)  
2101MAHDC6 (4/1/2021 - 9/30/2024)  
2101MACMC6 (4/1/2021 - 9/30/2024)  
2201MAOASS (10/1/2021 - 9/30/2024)  
2201MAOAPH (10/1/2021 - 9/30/2024)  
2201MAOAHD (10/1/2021 - 9/30/2024)  
2201MAOANS (10/1/2021 - 9/30/2024)  
2201MAOACM (10/1/2021 - 9/30/2024)  
2301MAOACM (10/1/2022 - 9/30/2024)  
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2401MAOANS (10/1/2023 - 9/30/2025)  
2401MAOASS (10/1/2023 - 9/30/2025)  
2401MAOACM (10/1/2023 - 9/30/2025)  
2401MAOAHD (10/1/2023 - 9/30/2025)  
2501MAOANS (10/1/2024 - 9/30/2026)  
2501MAOASS (10/1/2024 - 9/30/2026)  
2501MAOACM (10/1/2024 - 9/30/2026)  
2501MAOAHD (10/1/2024 - 9/30/2026)  
**Compliance Requirement:** Subrecipient Monitoring  
**Type of Finding:** Material Weakness in Internal Control Over Compliance, Material Noncompliance

**Criteria or specific requirement:**

*Compliance:* Per 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.

Per 2 CFR section 200.332(e) and (g), pass-through entities must monitor the activities of a subrecipient as necessary to ensure that the subrecipient complies with Federal statutes, regulations, and the terms and conditions of the subaward. The pass-through entity is responsible for monitoring the overall performance of a subrecipient to ensure that the goals and objectives of the subaward are achieved. In monitoring a subrecipient, a pass-through entity must review financial and performance reports, ensure that the subrecipient takes corrective action on all significant developments that negatively affect the subaward, issue a management decision for audit findings pertaining only to the Federal award provided to the subrecipient from the pass-through entity, resolve audit findings specifically related to the subaward, and verify that a subrecipient is audited as required by Subpart F.

**COMMONWEALTH OF MASSACHUSETTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2025**

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

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

**Condition:**

The Executive Office of Aging and Independence (Department) issued subawards that did not contain all required federal award information, and it failed to properly monitor subrecipients.

**Context:**

Exceptions were found for six of eight subawards selected for testing. Subawards were missing one or more required federal award identification elements and were not properly monitored. Specifically, we noted the following:

- 6 of 8 subawards were missing one or more required award identification elements including the Federal Award Date, the Federal Award Identification Number (FAIN), the name of the Federal agency, the Assistance Listing number (ALN) and the federal award title, the dollar amount made available under each ALN, and the federal award project description as required by the Federal Funding Accountability and Transparency Act (FFATA).
- 2 of 8 subrecipients selected for testing were not properly monitored by the Department. The Department was unable to provide documentation that it had proper monitoring procedures in place nor that monitoring procedures were followed for these subrecipients.
- For 1 of 8 subrecipients, the Department did not obtain a copy of the subrecipient’s annual single audit report. Therefore, the Department did not verify that its annual single audit had been conducted, nor did it issue a management decision on audit findings.

**Questioned costs:**

Undetermined.

**Cause:**

The Department’s procedures and internal controls were not sufficient to ensure that the Department provided all required federal information to subrecipients at the time of the subaward nor that subrecipient monitoring was completed in accordance with the requirements of the federal programs. Auditors noted that the Department’s corrective action plan from the prior audit had not been completed.

**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.

**COMMONWEALTH OF MASSACHUSETTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2025**

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

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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.

**Recommendation:**

We recommend the Department complete implementation of its corrective action plan from the prior year. The Department should review and enhance internal controls and procedures to ensure that it includes all required information in the subaward agreements. 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:**

There is no disagreement with the finding.

**COMMONWEALTH OF MASSACHUSETTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2025**

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

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**Reference Number:** 2025-024  
**Prior Year Finding:** No  
**Federal Agency:** U.S. Department of Health and Human Services  
**State Agency:** Executive Office of Aging and Independence  
**Federal Program:** Aging Cluster  
**Assistance Listing Number:** 93.044, 93.045, 93.053  
**Award Number and Year:** 2101MASSC6 (4/1/2021 - 9/30/2024)  
2101MAHDC6 (4/1/2021 - 9/30/2024)  
2101MACMC6 (4/1/2021 - 9/30/2024)  
2201MAOASS (10/1/2021 - 9/30/2024)  
2201MAOAPH (10/1/2021 - 9/30/2024)  
2201MAOAHD (10/1/2021 - 9/30/2024)  
2201MAOANS (10/1/2021 - 9/30/2024)  
2201MAOACM (10/1/2021 - 9/30/2024)  
2301MAOACM (10/1/2022 - 9/30/2024)  
2301MAOAHD (10/1/2022 - 9/30/2024)  
2301MAOAPH (10/1/2022 - 9/30/2025)  
2301MAOASS (10/1/2022 - 9/30/2024)  
2401MAOANS (10/1/2023 - 9/30/2025)  
2401MAOASS (10/1/2023 - 9/30/2025)  
2401MAOACM (10/1/2023 - 9/30/2025)  
2401MAOAHD (10/1/2023 - 9/30/2025)  
2501MAOANS (10/1/2024 - 9/30/2026)  
2501MAOASS (10/1/2024 - 9/30/2026)  
2501MAOACM (10/1/2024 - 9/30/2026)  
2501MAOAHD (10/1/2024 - 9/30/2026)  
**Compliance Requirement:** Matching  
**Type of Finding:** Significant Deficiency in Internal Control Over Compliance

**Criteria or specific requirement:**

*Compliance:* Matching requirements for Title III Supportive Services and Nutrition Services and American Rescue Plan Supportive Services and Nutrition Services Grants include the following:

- State and Area Agencies – Area Plan Administration: State and area agencies, in the aggregate, must contribute at least 25 percent of the costs of administration of area plans. For States, since this match is computed based on the aggregate of all area agencies in the state.
- Service Provision: All services, whether provided by the State Agency, an Area Agency, or other service providers (excluding any ombudsman services provided under the authority of 42 USC 3024 (d)(1)(D)) must be funded with a nonfederal match of at least 15 percent. One-third of the required 15 percent match must come from state sources, and this percentage must be met on a statewide basis. Funds for ombudsman services provided under the authority of 42 USC 3024 (d)(1)(B) are not required to be matched.

*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, 2025**

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

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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 Aging and Independence (Department) did not review its calculation of matching requirements for accuracy.

**Context:**

The Department’s calculation of match for Area Plan Administration and for Service Provision were not reviewed for accuracy prior to submission. Auditors determined that the calculations did not agree to supporting documentation. These variances did not affect the total match calculated and the Department met compliance related to the program’s overall required match.

**Questioned costs:**

None noted. The Department’s overall match requirement was met.

**Cause:**

The Department’s internal controls were not sufficient to ensure that calculations of its matching requirements were reviewed for accuracy prior to submission.

**Effect:**

Failure to review matching requirement calculations could result in potential errors going undetected and the Department might not meet its matching requirements.

**Recommendation:**

We recommend the Department review and enhance its internal controls regarding review and approval of program matching calculations to ensure that they are accurate and agree to supporting documentation.

**Views of responsible officials:**

There is no disagreement with the finding.

**COMMONWEALTH OF MASSACHUSETTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2025**

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

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**Reference Number:** 2025-025  
**Prior Year Finding:** 2024-019  
**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:** 6 NH231P922629 (7/1/2019-6/30/2025)  
**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. On March 8, 2025, FSRS.gov was retired, and all subaward reporting data and functionality transitioned to SAM.gov after that date.

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, 2025**

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

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**Condition:**

The Department of Public Health (Department) did not report subaward information in accordance with FFATA requirements.

**Context:**

Eight of eight subawards were not reported to SAM.gov until after they were selected for testing by auditors. The subawards were issued from 7/1/2024 through 3/31/2025 but were not reported until 1/22/2026 after they were selected for testing during the FY 2025 audit.

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
\$4,988,100	\$4,988,100	\$0	\$0	\$0

**Cause:**

The Department has not implemented its corrective action plan from the prior audit. It does not have sufficient procedures and internal controls to ensure that all required subawards are reported timely and accurately.

**Effect:**

Subawards were not reported to SAM.gov until after they were selected for testing by auditors.

**Questioned costs:**

None noted.

**Recommendation:**

We recommend the Department complete implementation of its corrective action plan from the prior audit. It should establish procedures and internal controls to ensure that all required subawards are reported timely and accurately to SAM.gov no later than the end of the month following the month of issuance of each subaward.

**Views of responsible officials:**

There is no disagreement with the finding.

**COMMONWEALTH OF MASSACHUSETTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2025**

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

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**Reference Number:** 2025-026  
**Prior Year Finding:** 2024-020  
**Federal Agency:** U.S. Department of Health and Human Services  
**State Agency:** Department of Public Health  
**Federal Program:** Epidemiology and Laboratory Capacity for Infectious Diseases  
COVID-19 – Epidemiology and Laboratory Capacity for Infectious Diseases  
**Assistance Listing Number:** 93.323  
**Award Number and Year:** 19NU50CK000518 (8/1/2022 – 7/31/2027)  
24NU51CK000343 (8/1/2024 – 7/31/2025)  
**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. On March 8, 2025, FSRS.gov was retired, and all subaward reporting data and functionality transitioned to SAM.gov after that date.

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, 2025**

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

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**Condition:**

The Department of Public Health (Department) did not report subaward information in accordance with FFATA requirements.

**Context:**

Eight of eight subawards were not reported to SAM.gov until after they were selected for testing by auditors. The subawards were issued in May 2024 but were not reported until January 2026 after they were selected for testing during the FY 2025 audit.

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
\$1,460,583	\$1,460,583	\$0	\$0	\$0

**Cause:**

The Department has not implemented its corrective action plan from the prior audit. The Department does not have sufficient procedures and internal controls to ensure that all required subawards are reported timely and accurately.

**Effect:**

Subawards were not reported to SAM.gov until after they were selected for testing by auditors.

**Questioned costs:**

None noted.

**Recommendation:**

We recommend the Department complete implementation of its corrective action plan from the prior audit. It should establish procedures and internal controls to ensure that all required subawards are reported timely and accurately to SAM.gov no later than the end of the month following the month of issuance of each subaward.

**Views of responsible officials:**

There is no disagreement with the finding.

**COMMONWEALTH OF MASSACHUSETTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2025**

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

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**Reference Number:** 2025-027  
**Prior Year Finding:** 2024-022  
**Federal Agency:** U.S. Department of Health and Human Services  
**State Agency:** Department of Public Health  
**Federal Program:** Epidemiology and Laboratory Capacity for Infectious Diseases  
COVID-19 – Epidemiology and Laboratory Capacity for Infectious Diseases  
**Assistance Listing Number:** 93.323  
**Award Number and Year:** 19NU50CK000518 (8/1/2022 – 7/31/2027)  
24NU51CK000343 (8/1/2024 – 7/31/2025)  
**Compliance Requirement:** Subrecipient Monitoring  
**Type of Finding:** Material Weakness in Internal Control Over Compliance, Material Noncompliance

**Criteria or specific requirement:**

*Compliance:* Per 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.

Per 2 CFR section 200.332(e) and (g), pass-through entities must monitor the activities of a subrecipient as necessary to ensure that the subrecipient complies with Federal statutes, regulations, and the terms and conditions of the subaward. The pass-through entity is responsible for monitoring the overall performance of a subrecipient to ensure that the goals and objectives of the subaward are achieved. In monitoring a subrecipient, a pass-through entity must review financial and performance reports, ensure that the subrecipient takes corrective action on all significant developments that negatively affect the subaward, issue a management decision for audit findings pertaining only to the Federal award provided to the subrecipient from the pass-through entity, resolve audit findings specifically related to the subaward, and verify that a subrecipient is audited as required by Subpart F.

*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 properly monitor subrecipients and the Department omitted required federal award information from subawards.

**Context:**

Eight subawards issued to eight subrecipients were selected for testing. Specifically, we noted the following exceptions:

**COMMONWEALTH OF MASSACHUSETTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2025**

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

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- For eight of eight subrecipients selected for testing, the Department did not adequately monitor the subrecipients. It did not obtain a copy of the subrecipients' annual single audit report. Therefore, the Department did not verify that the annual single audits had been conducted, nor did it issue a management decision on any audit findings.
- For eight of eight subawards selected for testing, the Federal Award Identification Number (FAIN) was omitted from the subaward agreements.

**Cause:**

The Department's procedures were not sufficient to ensure that subrecipients were properly monitored, nor that subawards included all required information. Internal controls did not detect or prevent the errors. The Department had not completed implementation of its corrective action plan from the prior year.

**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:**

None.

**Recommendation:**

We recommend the Department complete implementation of its corrective action plan from the prior year. We 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 program. The Department should review and enhance internal controls and procedures to ensure that it includes all required information in the subaward agreements.

**Views of responsible officials:**

There is no disagreement with the finding.

**COMMONWEALTH OF MASSACHUSETTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2025**

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

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**Reference Number:** 2025-028  
**Prior Year Finding:** 2024-021  
**Federal Agency:** U.S. Department of Health and Human Services  
**State Agency:** Department of Public Health  
**Federal Program:** Epidemiology and Laboratory Capacity for Infectious Diseases, COVID-19 - Epidemiology and Laboratory Capacity for Infectious Diseases  
**Assistance Listing Number:** 93.323  
**Award Number and Year:** 19NU50CK000518 (8/1/2022 – 7/31/2027)  
24NU51CK000343 (8/1/2024 – 7/31/2025)  
**Compliance Requirement:** Reporting  
**Type of Finding:** Significant Deficiency in Internal Control Over Compliance

**Criteria or specific requirement:**

*Compliance:* Non-federal entities are required to submit Financial and Performance Measure Reports in accordance with the terms and conditions of the Federal award.

*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 review and approve quarterly Core Base Grant financial reports or COVID Core Base Grant financial reports prior to submission.

**Context:**

Four quarterly reports were selected for testing, comprising of two Core Base Grant Financial Reports and two COVID Core Base Grant financial. For two of the four reports tested, there was no evidence of review and approval prior to submission.

**Questioned costs:**

Undetermined.

**Cause:**

The Department has not completed implementation of the corrective action plan from the prior audit. The Department's internal controls were not sufficient to ensure that quarterly financial reports were reviewed prior to submission.

**Effect:**

Failure to review and approve reports prior to submission could allow reporting errors to be undetected.

**COMMONWEALTH OF MASSACHUSETTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2025**

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

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**Recommendation:**

We recommend the Department complete implementation of its corrective action plan from the prior audit. We recommend that the Department review and enhance its internal controls to ensure financial reports are reviewed and approved prior to submission.

**Views of responsible officials:**

There is no disagreement with the finding.

**COMMONWEALTH OF MASSACHUSETTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2025**

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

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**Reference Number:** 2025-029  
**Prior Year Finding:** No  
**Federal Agency:** U.S. Department of Health and Human Services  
**State Agency:** Department of Early Education and Care  
**Federal Program:** CCDF Cluster  
**Assistance Listing Number:** 93.575, 93.596  
**Award Number and Year:** 2301MACCDF (10/1/2022 – 9/30/2025)  
2301MACCDD (10/1/2022 – 9/30/2025)  
2401MACCDD (10/1/2023 – 9/30/2026)  
2401MACCDF (10/1/2023 – 9/30/2026)  
2401MACCDM (10/1/2023 – 9/30/2026)  
2501MACCDF (10/1/2024 – 9/30/2027)  
2501MACCDM (10/1/2024 – 9/30/2026)  
**Compliance Requirement:** Special Tests and Provisions – Written Agreements as part of  
Program Integrity and Accountability  
**Type of Finding:** Material Weakness in Internal Control Over Compliance, Material  
Noncompliance

**Criteria or specific requirement:**

*Compliance:* Lead Agencies have broad authority to administer CCDF through governmental or nongovernmental agencies and may use other public or private local agencies to implement the program, however, Lead Agencies must have written agreements with other agencies regarding administrative and implementation responsibilities undertaken by agencies other than the Lead Agency that specify the mutual roles and responsibilities of the Lead Agency and the other agencies in meeting the requirements as per 45 CFR 98.11. Additionally, Lead Agencies must serve as the single point of contact and must retain overall responsibility for the program as defined in 45 CFR section 98.11(a)(1) and (2).

The Lead Agency must fulfill eight identified requirements including ensuring that the program complies with the approved Plan and all Federal requirements, monitoring programs and services, and ensuring that all State and local or non-governmental agencies through which the State administers the program, including agencies and contractors that determine individual eligibility, operate according to the rules established for the program.

*Control:* Per 45 CFR Part 98, Child Care and Development Fund (CCDF) recipients must establish and maintain robust internal controls to ensure integrity and accountability of program funds. Recipients must implement procedures designed to investigate and recover fraudulent payments, to impose sanctions on clients or providers in response to fraud, document and verify eligibility, and promote compliance with all applicable laws and regulations. These internal control mechanisms serve to prevent misuse, mismanagement, or fraudulent activity, thereby fostering accountability and transparency in the stewardship of federal funds allocated through the CCDF program.

**Condition:**

The Department of Early Education and Care (Department) did not implement full monitoring activities of performance as outlined in the approved State Plan/Request for Response (RFR).

**COMMONWEALTH OF MASSACHUSETTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2025**

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

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**Context:**

Eighteen written agreements were selected for testing and the following exceptions were noted:

- For 18 of 18 written agreements the Department did not fully implement activities of performance as outlined in the approved State Plan/RFR.
- For 1 of 18 written agreements, indicators or measures to assess performance were not included.

**Cause:**

The Department's procedures were not sufficient to ensure compliance with written agreements. The Department did not issue formal contract-specific key performance indicators (KPI) during the audit period.

**Effect:**

The Department did not comply with all program requirements regarding written agreements as part of Program Integrity and Accountability.

**Questioned costs:**

Undetermined.

**Recommendation:**

We recommend the Department fully implement procedures and internal controls regarding written agreements as part of Program Integrity and Accountability. It should ensure that it fulfills the eight identified requirements including ensuring that the program complies with the approved Plan and all Federal requirements, monitoring programs and services, and ensuring that all State and local or non-governmental agencies through which the State administers the program, including agencies and contractors that determine individual eligibility, operate according to the rules established for the program.

**Views of responsible officials:**

There is no disagreement with the finding.

**COMMONWEALTH OF MASSACHUSETTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2025**

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

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**Reference Number:** 2025-030  
**Prior Year Finding:** 2024-031  
**Federal Agency:** U.S. Department of Health and Human Services  
**State Agency:** Department of Early Education and Care  
**Federal Program:** CCDF Cluster  
**Assistance Listing Number:** 93.575, 93.596  
**Award Number and Year:** 2301MACCDF (10/1/2022 – 9/30/2025)  
2301MACCDD (10/1/2022 – 9/30/2025)  
2401MACCDD (10/1/2023 – 9/30/2026)  
2401MACCDF (10/1/2023 – 9/30/2026)  
2401MACCDM (10/1/2023 – 9/30/2026)  
2501MACCDF (10/1/2024 – 9/30/2027)  
2501MACCDM (10/1/2024 – 9/30/2026)  
**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. On March 8, 2025, FSRS.gov was retired, and all subaward reporting data and functionality transitioned to SAM.gov after that date.

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 45 CFR Part 98, Child Care and Development Fund (CCDF) recipients must establish and maintain robust internal controls to ensure integrity and accountability of program funds. Recipients must implement procedures designed to investigate and recover fraudulent payments, to impose sanctions on clients or providers in response to fraud, document and verify eligibility, and promote compliance with all applicable laws and regulations. These internal control mechanisms serve to

**COMMONWEALTH OF MASSACHUSETTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2025**

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

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prevent misuse, mismanagement, or fraudulent activity, thereby fostering accountability and transparency in the stewardship of federal funds allocated through the CCDF program.

**Condition:**

The Department of Early Education and Care (Department) did not report subaward information in accordance with FFATA requirements.

**Context:**

The Department informed auditors that no subawards were reported. Therefore, a sample was unavailable for testing.

**Cause:**

The Department does not have procedures or controls regarding subaward reporting in accordance with FFATA requirements. Auditors note that the Department's corrective action plan from the prior audit had not yet been fully implemented in FY 2025.

**Effect:**

Subawards were not reported in accordance with FFATA requirements.

**Questioned costs:**

None noted.

**Recommendation:**

We recommend the Department complete implementation of its corrective action plan from the prior year. We recommend the Department develop procedures and internal controls to ensure that all required subawards are reported timely and accurately no later than the end of the month following the month of issuance of each subaward.

**Views of responsible officials:**

There is no disagreement with the finding.

**COMMONWEALTH OF MASSACHUSETTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2025**

---

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

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**Reference Number:** 2025-031  
**Prior Year Finding:** No  
**Federal Agency:** U.S. Department of Health and Human Services  
**State Agency:** Department of Children and Families  
**Federal Program:** Adoption Assistance  
**Assistance Listing Number:** 93.659  
**Award Number and Year:** 2501MAADPT (10/1/2023 – 9/30/2024)  
2401MAADPT (10/1/2024 – 9/30/2025)  
**Compliance Requirement:** Eligibility  
**Type of Finding:** Significant Deficiency in Internal Control Over Compliance, Other Matters

**Criteria or specific requirement:**

*Compliance:* Adoption assistance subsidy payments may be paid on behalf of a child if eligibility requirements are met. Requirements include the following:

(1) Categorical Eligibility - Applicable and Non-Applicable Children – An applicable child is a child for whom an adoption assistance agreement was entered into in fiscal year (FY) 2010 or later and who meets the applicable age requirement (differs over a multi fiscal year phase-in period beginning in FY 2010), or a child who has been in foster care under the responsibility of the Title IV-E agency for at least 60 consecutive months, or a sibling to either such child if both are to have the same adoption placement (42 USC 673(e)(2) and (e)(3)).

(2)(f) The prospective adoptive parent(s) and any other adult living in the home who has resided in the provider home in the preceding five years must satisfactorily have met a child abuse and neglect registry check. This requirement became effective on October 1, 2006, unless the state requires legislation to implement the requirement, in which case a delayed implementation is permitted until the first quarter of the state’s regular legislative session following the close of the first regular session beginning after October 1, 2006. The requirement applies to foster care maintenance payments for calendar quarters beginning on or after that date.

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

**Condition:**

The Department of Children and Families (Department) was unable to provide documentation supporting participant eligibility in the form of a signed subsidy agreement and was unable to provide documentation that child abuse and neglect registry checks were performed for out-of-state adoptive family homes.

**COMMONWEALTH OF MASSACHUSETTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2025**

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

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**Context:**

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

- For 1 of 40 participants, the Department was unable to provide a copy of the original signed subsidy agreement. The legalization date was 5/17/2013 but the original signed agreement was unavailable. The child is still receiving a subsidy, and the Department was able to provide the two most recent signed subsidy renewal letters from 2022 and 2024. The subsidy renewal letter is signed by the adoptive parent confirming the child is currently residing in the home, the parent is legally responsible for the child, and the parent provides financial support for the child. The Department uses iFamilyNet as their statewide case management system. iFamilyNet includes the signed subsidy agreement date; however, we were unable to verify the accuracy of that date without a copy of the original signed subsidy agreement.
- For 2 of 40 participants, the Department was unable to provide documentation that a child abuse and neglect registry check was completed as part of the application or license approvals for homes in which the adoptive parent(s) previously lived out-of-state. These homes were originally licensed in 2006 and 2013, respectively and these homes received subsidies during FY 2025. The homes are currently closed and are no longer receiving subsidies subsequent to June 30, 2025.

**Cause:**

The Department's procedures and internal controls were not sufficient to ensure that participant eligibility documentation was maintained and that child abuse and neglect registry checks were performed. For the missing registry checks, at the time these homes were licensed, the Department did not have a formal process to request or document out of state child welfare registry checks.

**Effect:**

Claims may have been paid on behalf of an ineligible participant and children may have been placed in homes that were ineligible to participate in the program.

**Questioned costs:**

Undetermined.

**Recommendation:**

The Department should enhance its procedures and internal controls to ensure it maintains documentation of participant eligibility and child abuse and neglect registry checks, and that this documentation is readily available for audit. We also recommend the Department enhance the renewal letter to include the reaffirmation of the original subsidy agreement date by the participant.

**Views of responsible officials:**

There is no disagreement with the finding.

**COMMONWEALTH OF MASSACHUSETTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2025**

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

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**Reference Number:** 2025-032  
**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:** Children’s Health Insurance Program (CHIP)  
**Assistance Listing Number:** 93.767  
**Award Number and Year:** 2405MA5021 (10/1/2023 – 9/30/2025)  
2505MA5021 (10/1/2024 – 9/30/2026)  
**Compliance Requirement:** Allowable Activities/Allowable Costs  
Special Tests and Provisions – Provider Eligibility (Screening and Enrollment)  
**Type of Finding:** Material Weakness in Internal Control Over Compliance, Material Noncompliance

**Criteria or specific requirement:**

*Compliance:* To be allowable, Children’s Health Insurance Program (CHIP) costs must be covered by the state plan or CMS approved waivers/demonstrations. Providers receiving payments under the program must meet eligibility requirements. To receive CHIP payments, providers must: (1) be licensed in accordance with federal, state, and local laws and regulations to participate in the CHIP program (42 CFR 457.990); (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. CHIP-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. Providers who have been barred from participation by the OIG exclusion list are not eligible to be enrolled in the CHIP program (42 CFR 457.990, 42 CFR 455 Subpart E).

*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 Health and Human Services (the Department) did not properly document CHIP provider eligibility.

**Context:**

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

- For 6 of 60 providers selected for testing, a revalidation letter was not provided or generated. The Department indicated that it did not have a process to generate revalidation letters for dental providers.
- For 5 of 60 providers selected for testing, the Department was unable to provide documentation that a revalidation of the provider’s eligibility was performed within the required 5-year cycle for dental providers.

**COMMONWEALTH OF MASSACHUSETTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2025**

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

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- 3 of 60 providers selected for testing were not revalidated prior to the latest revalidation in 2024. The providers' enrollment dates were more than 10 years prior to the 2024 revalidation date, which indicates a minimum of two revalidations were not completed for these dental providers as required.
- For 3 of 60 providers selected for testing, the Department was unable to provide a copy of the provider agreement.
- For 2 of 60 providers selected for testing, sanction verifications were not completed for all individuals listed on the disclosure forms.
- For 1 of 60 providers selected for testing, the provider agreement was not countersigned.

All of the above exceptions noted related to dental providers.

**Cause:**

The Department's procedures were not sufficient to ensure it maintained documentation that providers were eligible to perform services under the program. Internal controls did not prevent or detect the errors.

**Effect:**

Failure to properly document provider eligibility could allow payments to be made to ineligible providers.

**Questioned costs:**

Undetermined. Due to a lack of information, auditors were unable to determine if the providers were eligible nor if ineligible costs were incurred.

**Recommendation:**

The Department should enhance its procedures and internal controls to ensure it maintains documentation that claims are paid only to eligible providers and that documentation is readily available for audit.

**Views of responsible officials:**

There is no disagreement with the finding.

**COMMONWEALTH OF MASSACHUSETTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2025**

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

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**Reference Number:** 2025-033  
**Prior Year Finding:** 2024-034  
**Federal Agency:** U.S. Department of Health and Human Services  
**State Agency:** Executive Office of Health and Human Services  
**Federal Program:** Medicaid Cluster  
**Assistance Listing Number:** 93.775, 93.777, 93.778  
**Award Number and Year:** XIX-MAP25, XIX-MAP24  
**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, 2025**

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

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**Condition:**

The Executive Office of Health and Human Services (Department) did not properly perform or document provider eligibility determinations.

**Context:**

Sixty providers were selected for testing of provider eligibility and provider health and safety standards. The following exceptions were noted:

- For 3 of 60 providers selected for testing, the Department was unable to provide documentation that a revalidation of the provider's eligibility and verification of the provider's health and safety standards was performed within the required 5-year cycle.
- For 1 of 60 providers selected for testing, the Department was unable to provide a provider agreement.
- For 1 of 60 providers selected for testing, the provider was not revalidated prior to the latest revalidation in 2024. The provider's enrollment date was more than 10 years prior to the 2024 revalidation date, which indicates a minimum of two revalidations were not completed for this provider as required.
- For 2 of 60 providers selected for testing, a revalidation letter was not provided or generated. The Department indicated that it did not have a process to generate revalidation letters for dental providers.

All of the above exceptions noted related to dental providers.

**Cause:**

The Department's procedures were not sufficient to ensure it maintained documentation that providers were eligible to perform services under the program and were in compliance with health and safety standards. Internal controls did not prevent or detect the errors.

**Effect:**

Failure to properly document provider eligibility and compliance with health and safety standards could allow payments to be made to ineligible providers.

**Questioned costs:**

Undetermined. Due to a lack of information, auditors were unable to determine if the providers were eligible or if ineligible costs were incurred.

**Recommendation:**

The Department should enhance its procedures and internal controls to ensure it maintains documentation that claims are paid only to eligible providers and that documentation is readily available for audit.

**Views of responsible officials:**

There is no disagreement with the finding.

**COMMONWEALTH OF MASSACHUSETTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2025**

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

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**Reference Number:** 2025-034  
**Prior Year Finding:** 2024-035  
**Federal Agency:** U.S. Department of Health and Human Services  
**State Agency:** Executive Office of Health and Human Services  
**Federal Program:** Medicaid Cluster  
**Assistance Listing Number:** 93.775, 93.777, 93.778  
**Award Number and Year:** XIX-MAP25, XIX-MAP24  
**Compliance Requirement:** Eligibility  
**Type of Finding:** Significant Deficiency in Internal Control Over Compliance, Other Matters

**Criteria or specific requirement:**

*Compliance:* States verify the financial and nonfinancial factors of eligibility, per federal requirements at 42 CFR 435.948 through 435.956 and state requirements (as documented in the state plan, verification plan, and eligibility manual). States must monitor the accuracy of eligibility determinations by establishing a Medicaid Eligibility Quality Control (MEQC) program to reduce erroneous expenditures in conjunction with the Payment Error Rate Measurement (PERM) Program.

*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 Health and Human Services (Department) was unable to provide documentation verifying participant eligibility.

**Context:**

For one of sixty participants selected for testing, support for income verification was not maintained. The Department indicated that manual income verification documentation had been dropped off at a local office but was unable to provide it to auditors for testing.

**Cause:**

The Department’s procedures were not sufficient to ensure that participant eligibility documentation was maintained.

**Effect:**

Claims were paid on behalf of an ineligible participant.

**Questioned costs:**

\$38, the claim amount paid for the participant.

**Recommendation:**

The Department should enhance its procedures and internal controls to ensure it maintains documentation of participant eligibility and that this documentation is readily available for audit.

COMMONWEALTH OF MASSACHUSETTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2025

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

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**Views of responsible officials:**

There is no disagreement with the finding.

**COMMONWEALTH OF MASSACHUSETTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2025**

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

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**Reference Number:** 2025-035  
**Prior Year Finding:** 2024-036  
**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:** 1H79TI085778 (9/30/2021 – 9/29/2024)  
5H79TI085778 (9/30/2022 – 9/29/2024)  
6H79TI085778 (9/30/2023 – 9/30/2025)  
**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(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.

Per 2 CFR section 200.332(e) and (g), pass-through entities must monitor the activities of a subrecipient as necessary to ensure that the subrecipient complies with Federal statutes, regulations, and the terms and conditions of the subaward. The pass-through entity is responsible for monitoring the overall performance of a subrecipient to ensure that the goals and objectives of the subaward are achieved. In monitoring a subrecipient, a pass-through entity must review financial and performance reports, ensure that the subrecipient takes corrective action on all significant developments that negatively affect the subaward, issue a management decision for audit findings pertaining only to the Federal award provided to the subrecipient from the pass-through entity, resolve audit findings specifically related to the subaward, and verify that a subrecipient is audited as required by Subpart F.

*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 properly monitor subrecipients and the Department omitted required federal award information from subawards.

**Context:**

Thirteen subawards issued to thirteen subrecipients were selected for testing. Specifically, we noted the following exceptions:

- 1 of 13 subawards was missing the Federal Award Identification Number (FAIN).

**COMMONWEALTH OF MASSACHUSETTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2025**

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

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- For 2 of 13 subrecipients selected for testing, the Department did not adequately monitor the subrecipients. The Department did not obtain a copy of the subrecipients' annual single audit report. Therefore, the Department did not verify that the annual single audits had been conducted, nor did it issue a management decision on audit findings.

**Cause:**

The Department had not yet fully implemented its corrective action plan from the prior year.

**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 requirements 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:**

None.

**Recommendation:**

We recommend the Department complete its corrective action plan from the prior year. The Department should verify that its internal controls and procedures are sufficient to ensure subrecipient monitoring is performed in compliance with the requirements of the federal program and that all required information is included in subaward agreements.

**Views of responsible officials:**

There is no disagreement with the finding.

**COMMONWEALTH OF MASSACHUSETTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2025**

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

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**Reference Number:** 2025-036  
**Prior Year Finding:** 2024-038  
**Federal Agency:** U.S. Department of Homeland Security  
**State Agency:** Massachusetts Emergency Management Agency  
**Federal Program:** Disaster Grants – Public Assistance (Presidentially Declared Disasters), COVID-19 - Disaster Grants – Public Assistance (Presidentially Declared Disasters)  
**Assistance Listing Number:** 97.036  
**Award Number and Year:** FEMA-4496-DR (2020)  
FEMA-4651-DR (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. On March 8, 2025, FSRS.gov was retired, and all subaward reporting data and functionality transitioned to SAM.gov after that date.

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, 2025**

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

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**Condition:**

The Massachusetts Emergency Management Agency (Department) did not report subawards timely or accurately in accordance with FFATA requirements.

**Context:**

Seventeen of the twenty-six subawards selected for testing were not reported timely or accurately. The following exceptions were noted:

- 11 of 26 subawards, totaling \$29,413,324, were not reported timely. The reports were submitted from seven days to four months late.
- 4 of 26 subawards, totaling \$3,354,238, were not reported to FSRs.

2 subaward amendments related to de-obligations were not reported. The total of the amendments was a reduction of \$169,193.

Transactions Tested	Subaward not reported	Report not timely	Subaward amount incorrect	Subaward missing key elements
26	6	11	0	0
Dollar Amount of Tested Transactions	Subaward not reported	Report not timely	Subaward amount incorrect	Subaward missing key elements
\$60,158,379	\$3,185,042	\$29,413,324	\$0	\$0

**Cause:**

The Department’s procedures and controls were not sufficient to ensure that subawards were reported timely and accurately. The Department had not completed implementation of its corrective action plan from the prior year.

**Effect:**

Subawards were not reported in accordance with FFATA requirements.

**Questioned costs:**

None noted.

**Recommendation:**

We recommend the Department complete implementation of its corrective action plan from the prior year. The Department should review and enhance its procedures and internal controls to ensure that all required subawards are reported timely and accurately to SAM.gov no later than the end of the month following the month of issuance of each subaward.

**Views of responsible officials:**

There is no disagreement with the finding.



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# Commonwealth of Massachusetts

## OFFICE OF THE COMPTROLLER

ONE ASHBURTON PLACE, 9TH FLOOR  
BOSTON, MASSACHUSETTS 02108  
(617) 727-5000  
MACOMPTROLLER.ORG



### COMMONWEALTH OF MASSACHUSETTS CORRECTIVE ACTION PLAN YEAR ENDED JUNE 30, 2025

#### EXECUTIVE OFFICE OF LABOR AND WORKFORCE DEVELOPMENT

##### 2025-001 Accounting and Financial Reporting – Unemployment Compensation Trust Fund

Recommendation: We strongly 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 strongly recommend EOLWD design and implement procedures to ensure that the annual GAAP package submitted to the Office of the Comptroller 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.

Action taken in response to finding: EOLWD acutely understands our responsibility for maintaining the books and records of the Unemployment Compensation Trust Fund (Fund). To this end, EOLWD Finance has and continues to implement internal controls and to adhere to existing standard operating procedures (SOPs) for monthly reconciliation of accounts and balances of the Fund's delegated system to unemployment insurance bank accounts and MMARS/MOSAIC monthly. Beginning in FY26, EOLWD has and continues to produce quarterly cash basis financial reporting for the Fund 45 days after the end of the quarter, in collaboration with the Office of the Comptroller.

With respect to development of annual GAAP package for the Fund, EOLWD Finance continues to work with the Department of Unemployment Assistance (DUA) to establish clearer documentation and procedures for the GAAP package, in light of the now completed second phase of the modernized online

**COMMONWEALTH OF MASSACHUSETTS  
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YEAR ENDED JUNE 30, 2025**

Unemployment Insurance (UI) system, known as EMT. As per guidance and in collaboration with the Office of the Comptroller, EOLWD expects to produce the annual GAAP package for review by the Office of the Comptroller in October 2026.

Name(s) of the contact person(s) responsible for corrective action: Aaron Beitman, CFO, Anna Yong, Deputy CFO

Planned completion date for corrective action plan: July 1, 2026

**U.S. DEPARTMENT OF AGRICULTURE**

2025-002 Child Nutrition Cluster - Assistance Listing No. 10.555, 10.582

Recommendation: We recommend the Department develop procedures and internal controls to ensure that all required subawards are reported timely and accurately to SAM.gov no later than the end of the month following the month of issuance of each subaward. If the Department is unable to complete reporting in SAM.gov, it should follow up with the Service Desk and consult with their federal award contacts for assistance and guidance.

Action taken in response to finding: The Department is reviewing and updating internal procedures to ensure all required subawards are reported timely and accurately in SAM.gov. While there have been some technical challenges with SAM.gov reporting, the Department is actively coordinating with U.S. Department of Agriculture contacts to resolve issues and ensure compliance and maintaining a record of each outreach attempt. Staff responsibilities and monitoring procedures are being strengthened to support accurate reporting.

Name(s) of the contact person(s) responsible for corrective action: Julia Jou, Budget Director, Rob Curtin, Deputy Commissioner, Erica Gonzales, Associate Commissioner Data & Accountability, Rob Leshin, Director, Food and Nutrition Programs Joseph Valchuis, Audit Supervisor

Planned completion date for corrective action plan: April 15, 2026

**U.S. DEPARTMENT OF LABOR**

2025-003 Employment Service Cluster - Assistance Listing No. 17.207, 17.801

Recommendation: We recommend the Department complete implementation of its corrective action plan from the prior year. The Department should implement procedures and internal controls to ensure that all required subawards and subaward modifications are reported no later than the end of the month following the month of issuance.

Action taken in response to finding: Reporting under FFATA is triggered when the department and the local areas agree on budgets — i.e., at the point when the state forms an official obligation amount. This change is meant to more closely align with FFATA guidance which specifies that “you must report each obligating action ... no later than the end of the month following the month in which the obligation was made.” U.S. Election Assistance Commission. Importantly, the guidance states: “Only report on subaward obligations. Do not report individual payments made to subrecipients.” Previously, FFATA was triggered when an encumbrance was recorded.

**COMMONWEALTH OF MASSACHUSETTS  
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YEAR ENDED JUNE 30, 2025**

By aligning FFATA reporting with the point at which the state formally obligates funds through approved local budgets, rather than when encumbrances are recorded, the process more accurately reflects the definition of an obligating action and strengthens overall compliance with FFATA requirements. Ongoing monitoring will continue to ensure reporting remains timely and accurate, with periodic reviews conducted to assess performance and identify any needed updates to the SOP. These revisions were fully implemented by 09/30/2025.

New internal controls and procedures were established 9/30/2025, in which this audit has not reviewed yet.

Name(s) of the contact person(s) responsible for corrective action: Finance: Sarah Shannon, Sam Potel

Planned completion date for corrective action plan: Already completed – staff trained and provided with new SOP on 9/30/2025.

2025-004      Employment Service Cluster - Assistance Listing No. 17.207, 17.801

Recommendation: We recommend the Department complete implementation of its corrective action plan from the prior year. Procedures and internal controls over reporting should be sufficient to ensure that reports are accurate and agree with supporting documentation.

Action taken in response to finding: Massachusetts has implemented its corrective action plan by ensuring correspondence detailing changes to the Expenditure Detail Reports (EDR) has been documented and maintained on a “Notes” tab on the EDR form. Additionally, to address the difference in activity categories between the EDR and the finance expense report and to improve the reporting process, two new program phase codes have been added to the finance expense report to identify spending for Program Management & Administration and the JVSG Incentive Awards. The finance report provides details based on cash-basis accounting and is utilized as source documentation for the EDR, which is based on accrual reporting. As such variances may occur due to normal timing differences such as accrued costs incurred but paid in a subsequent period.

Name(s) of the contact person(s) responsible for corrective action: Finance: Sarah Shannon, Vina Yung, DCS: Sacha Stadhard, Christopher Mills

Planned completion date for corrective action plan: Has been implemented as of 12/31/2025 and it is an on-going process.

2025-005      Employment Service Cluster - Assistance Listing No. 17.207, 17.801

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.

Action taken in response to finding: Ongoing training is provided for new staff to ensure they correctly enter combo codes that align with the activities performed. To strengthen oversight, a custom report has been developed to identify

**COMMONWEALTH OF MASSACHUSETTS  
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employees with missing combo codes each week, allowing Finance staff to proactively follow up and ensure proper time charging weekly.

Finance will continue to enhance the custom report to ensure all paid TRCs are linked and properly monitor any missing combo codes in timesheets each pay period. Any new additional pay entered by Human Resource in the HR/CMS system, Human Resource will notify Finance to ensure a proper combo code or an appropriate account is assigned. Finance will collaborate with departments throughout the fiscal year to update labor distribution profiles, ensuring that employees are defaulted to the correct funding sources in accordance with approved labor distribution profiles for accurate and efficient time reporting. A custom report has been developed for managers and time approvers to validate that employee labor distribution profiles are regularly confirmed and updated in accordance with weekly time and effort. To further strengthen internal control preventive measures Finance will be monitoring variances between charged payroll data in relation to the labor distribution profiles to identify any large variances that need to be addressed.

Name(s) of the contact person(s) responsible for corrective action: Finance: Anna Yong, Vina Yung, Sarah Shannon, Mai Giang, Stephanie Wong, HR/Payroll: Cheryl Stanton, Linda Stevens, DCS: David Manning, Beth Goguen

Planned completion date for corrective action plan: 6/30/2026

2025-006

Employment Service Cluster - Assistance Listing No. 17.207, 17.801

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.

Action taken in response to finding: ETA 9130 reports are jointly reviewed by Finance and program staff before submission and certification. Supporting documentations are cross-checked for accuracy and completeness, and all relevant files are maintained in a centralized, shared folder to ensure transparency and accountability. This multi-layered review and documentation process has been incorporated into a standard quarterly reporting procedures to prevent future discrepancies and ensure federal reporting integrity. New internal controls and procedures were established 8/30/2025, in which this audit has not reviewed yet.

Name(s) of the contact person(s) responsible for corrective action: Finance: Sarah Shannon, Ken Luke, Vina Yung, DCS: Dave Manning

Planned completion date for corrective action plan: Already completed – staff trained and provided with new SOP on 8/30/2025.

2025-007

Unemployment Insurance - Assistance Listing No. 17.225

Recommendation: The Department should review its procedures to ensure that ETA 2112 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.

Action taken in response to finding: Action was taken to address the issue prior to audit findings, and we do not anticipate similar situations to exist now that we have

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EMT generates the ETA 2112. Also, we have internal control for both preparer and approver to review each line item with the supporting documents.

Name(s) of the contact person(s) responsible for corrective action: Finance: Messay Araya, Anna Yong

Planned completion date for corrective action plan: 6/30/2026

2025-008

Unemployment Insurance - Assistance Listing No. 17.225

Recommendation: The Department should review and update its reporting procedures and controls to ensure that ETA 2208A 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.

Action taken in response to finding: Finance has implemented a formal review and reconciliation process requiring reported totals to be verified against supporting source documentation before submission, standardized and locked required workbook formulas, and establish a pre-submission checklist to document review. Written procedures will be updated to formalize these control enhancements and ensure continued compliance.

Name(s) of the contact person(s) responsible for corrective action: Finance: Vina Yung, Anna Yong

Planned completion date for corrective action plan: 6/30/2026

2025-009

Unemployment Insurance - Assistance Listing No. 17.225

Recommendation: The Department should review and update its reporting procedures and controls to ensure that ETA 9052 - Nonmonetary Determination Time Lapse Detection reports are submitted timely and that copies of report submissions are maintained and are readily available for audit. Reports should be reviewed for accuracy prior to submission.

Action taken in response to finding: A staff member has been identified as the owner of UIR 9052. Staff have been trained in the submission of 9052 in both SUN and the new UIRS system that has replaced the SUN. Master list of report owners has been updated to reflect accurate ownership. Master List Report owner will notify 9052 owner in advance that report is coming due.

The department will make sure that reports are reviewed for accuracy prior to submission and copies of report submissions are maintained.

Name(s) of the contact person(s) responsible for corrective action: John Saulnier / Director of Benefits

Planned completion date for corrective action plan: Corrected. The 9052 is now being submitted timely.

2025-010

Unemployment Insurance - Assistance Listing No. 17.225

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.

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Action taken in response to finding: ETA 9130 reports are jointly reviewed by Finance and program staff before submission and certification. Supporting documentations are cross-checked for accuracy and completeness, and all relevant files are maintained in a centralized, shared folder to ensure transparency and accountability. This multi-layered review and documentation process has been incorporated into a standard quarterly reporting procedures to prevent future discrepancies and ensure federal reporting integrity. New internal controls and procedures were established 8/30/2025, in which this audit has not reviewed yet.

Name(s) of the contact person(s) responsible for corrective action: Finance: Sarah Shannon, Ken Luke, Vina Yung, DUA: Mark Costello

Planned completion date for corrective action plan: Already completed – staff trained and provided with new SOP on 8/30/2025.

2025-011      Unemployment Insurance - Assistance Listing No. 17.225

Recommendation: We recommend the Department complete implementation of its corrective action plan from the prior year. 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.

Action taken in response to finding: BAM staff have begun utilizing a new case management system within the modernized EMT system. This has reduced the number of screen shots necessary to develop a case. BAM investigators will continue receiving training on system usage and how to optimize day to day operations through weekly training sessions and the ability to schedule one on one training sessions with the BAM supervisor each week. BAM management continues to work with the EMT project to submit tickets for BAM program remediation while it continues to wait on required programming from pre-go live. Two BAM Investigators are training while waiting for the additional hiring to be approved. An improvement in the system is that BAM management is now in control of the number of cases being sampled. This will allow modification of the weekly sampling to allow change when needed such as an increase in case sampling if a case had to be discarded.

Name(s) of the contact person(s) responsible for corrective action: Susan Saulnier  
Director of UI Performs

Planned completion date for corrective action plan: 10/31/2026

2025-012      Unemployment Insurance - Assistance Listing No. 17.225

Recommendation: We recommend the Department complete implementation of its corrective action plan from the prior year. We recommend the Department review and enhance procedures and controls to ensure that RESEA program requirements are met. We further recommend the Department develop a formal process to review quarterly performance reports for accuracy prior to submission.

Action taken in response to finding: In order to resolve this finding, the Department is in the process of creating a new policy and procedure to ensure reports are reviewed prior to submission via the federal reporting system. The policy and procedures will state the process involved in getting report information, review of

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information, notification to manager, and submittal through the federal reporting system.

MDUA has completed a review of policies and procedures. This will be a new effort at formalizing a policy which will go through agency review prior to enactment. MDUA has established an informal policy for staff to follow which speaks to the intent of having a formalized policy.

The new policy and procedure will detail the responsibilities of staff who are involved with retrieving the initial information for the report from our UI administrative system, review of information to ensure federal reporting system requirements and comparison to past reports, notification to direct manager that the review was completed, and submittal through the federal reporting system.

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

Planned completion date for corrective action plan: May 1st, 2026

2025-013

Unemployment Insurance - Assistance Listing No. 17.225

Recommendation: The Department should perform staff training and strengthen its procedures and controls to ensure overpayments are identified, recorded, and recovered in a timely manner and in full compliance with federal requirements.

Action taken in response to finding: In response to this finding, we have worked with our developers of the EMT system to investigate some of the issues which arose. This review determined that some of the erroneous data was the result of conversion issues when converting UI Online data (the prior unemployment system of record) to the current system, EMT. Developers are working to identify any areas that may require technical fixes. However, as of May of 2026, all new claims filed for unemployment benefits will be made in the EMT system, therefore the reliance on utilizing converted data will lessen as time goes on.

In response to discrepancies that arose due to staff errors, all adjudication staff will receive training on fault/fraud issues which will cover the penalties against the claimant associated with each finding.

Additionally, the Department is updating its Adjudication Handbook. This handbook provides detailed instruction on all adjudication matters and the applicable legal citations for decision rendered. This handbook will be reviewed by all staff who adjudicate cases.

Name(s) of the contact person(s) responsible for corrective action: Josh Nussey, Acting Director of Program Integrity

Planned completion date for corrective action plan: 12/31/2026

2025-014

WIOA Cluster, Employment Service Cluster 17.258, 17.259, 17.278, 17.207, 17.801

Recommendation: The Department should review and enhance its procedures and internal controls regarding the calculation of its negotiated indirect cost rate and for maintaining documentation supporting the rate calculation. This documentation should be readily available for audit.

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Action taken in response to finding: Since the period under audit, the EOLWD has implemented improved processes to ensure that all documentation supporting the indirect cost rate calculation is maintained in a centralized and organized location. Beginning in FY26, supporting documentation, including calculation methodologies and related records, is retained in a designated repository to ensure it is readily accessible for audit and review.

EOLWD has also clarified internal responsibilities and expectations regarding the preparation and retention of this documentation to promote consistency and continuity moving forward.

The issues identified in the audit relate to prior periods when documentation practices were not standardized. EOLWD believes that the corrective actions implemented in FY26 address these concerns and will ensure ongoing compliance with documentation and audit requirements.

Name(s) of the contact person(s) responsible for corrective action: Finance: Vina Yung, Sarah Shannon

Planned completion date for corrective action plan: Completed last year - 12/31/2025

2025-015 WIOA Cluster 17.258, 17.259, 17.278

Recommendation: We recommend the Department complete implementation of its corrective action plan from the prior year. The Department's procedures and internal controls should ensure that all required FFATA report submissions are reviewed, approved and subsequently reported timely no later than the end of the month following the month of issuance of the subaward or subaward modification. Documentation of implemented controls should be readily available for audit.

Action taken in response to finding: Reporting under FFATA is triggered when the department and the local areas agree on budgets — i.e., at the point when the state forms an official obligation amount. This change is meant to more closely align with FFATA guidance which specifies that “you must report each obligating action ... no later than the end of the month following the month in which the obligation was made.” U.S. Election Assistance Commission. Importantly, the guidance states: “Only report on subaward obligations. Do not report individual payments made to subrecipients.” Previously, FFATA was triggered when an encumbrance was recorded.

By aligning FFATA reporting with the point at which the state formally obligates funds through approved local budgets, rather than when encumbrances are recorded, the process more accurately reflects the definition of an obligating action and strengthens overall compliance with FFATA requirements. Ongoing monitoring will continue to ensure reporting remains timely and accurate, with periodic reviews conducted to assess performance and identify any needed updates to the SOP. These revisions were fully implemented by 09/30/2025.

New internal controls and procedures were established 9/30/2025, in which this audit has not reviewed yet.

Name(s) of the contact person(s) responsible for corrective action: Finance: Sarah Shannon, Sam Potel

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Planned completion date for corrective action plan: Already completed – staff trained and provided with new SOP on 9/30/2025.

2025-016 WIOA Cluster 17.258, 17.259, 17.278

Recommendation: We recommend the Department complete implementation of its corrective action plan from the prior year. 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.

Action taken in response to finding: ETA 9130 reports are jointly reviewed by Finance and program staff before submission and certification. Supporting documentations are cross-checked for accuracy and completeness, and all relevant files are maintained in a centralized, shared folder to ensure transparency and accountability. This multi-layered review and documentation process has been incorporated into a standard quarterly reporting procedures to prevent future discrepancies and ensure federal reporting integrity. New internal controls and procedures were established 8/30/2025, in which this audit has not reviewed yet.

Name(s) of the contact person(s) responsible for corrective action: Finance: Sarah Shannon, Ken Luke, Vina Yung, DCS: David Manning

Planned completion date for corrective action plan: Already completed – staff trained and provided with new SOP on 8/30/2025.

2025-017 WIOA Cluster 17.258, 17.259, 17.278

Recommendation: We recommend the Department complete implementation of its corrective action plan from the prior year. 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.

Action taken in response to finding: Ongoing training is provided for new staff to ensure they correctly enter combo codes that align with the activities performed. To strengthen oversight, a custom report has been developed to identify employees with missing combo codes each week, allowing Finance staff to proactively follow up and ensure proper time charging weekly.

Finance will continue to enhance the custom report to ensure all paid TRCs are linked and properly monitor any missing combo codes in timesheets each pay period. Any new additional pay entered by Human Resource in the HR/CMS system, Human Resource will notify Finance to ensure a proper combo code or an appropriate account is assigned. Finance will collaborate with departments throughout the fiscal year to update labor distribution profiles, ensuring that employees are defaulted to the correct funding sources in accordance with approved labor distribution profiles for accurate and efficient time reporting. A custom report has been developed for managers and time approvers to validate that employee labor distribution profiles are regularly confirmed and updated in accordance with weekly time and effort. To further strengthen internal control preventive measures Finance will be monitoring variances between charged

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payroll data in relation to the labor distribution profiles to identify any large variances that need to be addressed.

Name(s) of the contact person(s) responsible for corrective action: Finance: Anna Yong, Vina Yung, Sarah Shannon, Mai Giang, Stephanie Wong, HR/Payroll: Cheryl Stanton, Linda Stevens, DCS: David Manning, Beth Goguen

Planned completion date for corrective action plan: 6/30/2026

2025-018 WIOA Cluster 17.258, 17.259, 17.278

Recommendation: We recommend the Department develop procedures and controls to ensure expenditures coded to the GDF from timesheets or manual adjustments do not exceed the 15% limit.

Action taken in response to finding: In FY26, phase codes associated with federal grant activity will be further disaggregated and mapped in MMARS screen BQ87 (Federal Grant Phase Budget Status). This enhancement has improved the accuracy and clarity of budget-to-actual comparisons by providing a clearer breakout of expenditures by phase. It will also strengthen internal controls and facilitate better alignment between MMARS, Finance Data Mart, and federal reporting requirements. This new internal controls has been deployed on all FY26 grants and was not audited during this period.

Name(s) of the contact person(s) responsible for corrective action: Finance: Sarah Shannon, Ken Luke

Planned completion date for corrective action plan: Process is in place and completed on 12/31/2025 and practice is deployed for all new grants requiring break out amounts.

2025-019 WIOA Cluster 17.258, 17.259, 17.278

Recommendation: We recommend the Department review and enhance internal controls and procedures to ensure that required information is included in its subawards. In its FY 2024 corrective action plan, the Department indicated that it had revised its documented internal controls and procedures to correct the prior year finding. We recommend that the Department revisit its procedures and controls and update as needed to ensure that the federal award date is included in all subaward agreements.

Action taken in response to finding: MHDCS will immediately revise its internal control procedures to now include the Federal Award issue date. Because these issue dates are not on a predetermined schedule, a separate correspondence will be sent to each sub awardee notifying them of the formal issue date of each sub award upon receipt of the award.

All Oversight & Compliance and Fiscal Support staff reviewing this information will meet following a stated agenda to be made aware of this revision to the internal control procedures. Supporting documentation of this procedural change can be provided upon completion. This supporting documentation will be maintained in the centrally located SharePoint folders by local areas or sub-awardee.

Name(s) of the contact person(s) responsible for corrective action: Michael Williams- Oversight & Compliance Director

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Planned completion date for corrective action plan: The anticipated implementation completion date will correspond with the sub-awardees next issue date of Federal sub-awards; but not later than June 30, 2026.

**U.S. DEPARTMENT OF EDUCATION**

2025-020 COVID-19 – Elementary and Secondary School Emergency Relief Fund, COVID-19 – American Rescue Plan-Elementary and Secondary School Emergency Relief (ARP ESSER) 84.425D, 84.425U

Recommendation: We recommend the Department develop procedures and internal controls to ensure that all required subawards are reported timely and accurately no later than the end of the month following the month of issuance of each subaward.

Action taken in response to finding: The Department is updating internal procedures to ensure timely and accurate reporting of all required subawards. While there have been some technical challenges with SAM.gov, the Department is proactively reaching out to U.S. Department of Education contacts to resolve issues and maintaining a record of each outreach attempt. Staff responsibilities and monitoring procedures are being strengthened to support accurate reporting.

Name(s) of the contact person(s) responsible for corrective action: Julia Jou, Budget Director, Rob Curtin, Deputy Commissioner, Erica Gonzales, Associate Commissioner Data & Accountability, Joseph Valchuis, Audit Supervisor

Planned completion date for corrective action plan: April 15, 2026

**U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES**

2025-021 Aging Cluster 93.044, 93.045, 93.053

Recommendation: We recommend the Department develop procedures and internal controls to ensure that it submits reports for all grant awards it receives for the program, in accordance with its grant agreements.

Action taken in response to finding: AGE will enhance formal procedures and internal controls to ensure that all required Federal Financial Reports (SF-425) and Title III Supplemental Forms are submitted in accordance with grant agreements and federal reporting timelines. Management is establishing a centralized reporting calendar and tracking mechanism to monitor reporting deadlines for all active awards.

Name(s) of the contact person(s) responsible for corrective action: Sheila Tunney, Chief Financial Officer, Christina H. Martinez, Director of Contracts and Accounting

Planned completion date for corrective action plan: June 30, 2026

2025-022 Aging Cluster 93.044, 93.045, 93.053

Recommendation: We recommend the Department complete implementation of its corrective action plan from the prior year. We recommend the Department develop procedures and internal controls to ensure that all required subawards are reported timely and accurately no later than the end of the month following the month of issuance of each subaward.

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Action taken in response to finding: This finding is related to prior year Finding 2023-020. The Department implemented internal controls during FFY24 to address FFATA reporting requirements; however, the current finding pertains to contracts executed in prior fiscal years that were not amended following the original finding.

Since issuance of the prior finding, AGE has established procedures and internal controls to ensure that all required subawards are identified, tracked, and reported in accordance with FFATA requirements. For FFY25 contracts and all new awards going forward, total award information is collected at the time of contract execution and subaward data will be submitted SAM.gov within 30 days of contract signature and no later than the end of the month following issuance of each subaward, as required.

Name(s) of the contact person(s) responsible for corrective action: Sheila Tunney, Chief Financial Officer, Christina H. Martinez, Director of Contracts and Accounting Ted Zimmerman, State Planner

Planned completion date for corrective action plan: Implemented for FFY25 contracts; full resolution of by 9/30/2026

2025-023 Aging Cluster 93.044, 93.045, 93.053

Recommendation: We recommend the Department complete implementation of its corrective action plan from the prior year. The Department should review and enhance internal controls and procedures to ensure that it includes all required information in the subaward agreements. 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.

Action taken in response to finding: This finding is related to prior year Finding 2023-022. AGE implemented revised internal controls during FFY24 to address deficiencies in subaward agreement content and subrecipient monitoring; however, the current finding relates to subawards issued in prior fiscal years that were not amended following the original audit observation.

Since the prior finding, AGE has updated its subaward agreement templates to ensure inclusion of all required federal award identification elements, including the Federal Award Identification Number (FAIN), federal award date, Assistance Listing number, federal award title, and related required data elements. These updated templates are being used for FFY25 and all subsequent contracts.

Name(s) of the contact person(s) responsible for corrective action: Sheila Tunney, Chief Financial Officer, Christina H. Martinez, Director of Contracts and Accounting Ted Zimmerman, State Planner

Planned completion date for corrective action plan: September 30, 2026

2025-024 Aging Cluster 93.044, 93.045, 93.053

Recommendation: We recommend the Department review and enhance its internal controls regarding review and approval of program matching calculations to ensure that they are accurate and agree to supporting documentation.

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Action taken in response to finding: AGE has initiated a review of its existing procedures for calculating program matching requirements and is developing enhanced internal controls to ensure accuracy and consistency. These actions include implementing a secondary review and approval process for match calculations and requiring documented reconciliation of calculations to supporting documentation prior to submission.

Name(s) of the contact person(s) responsible for corrective action: Sheila Tunney, Chief Financial Officer, Ted Zimmerman, State Planner

Planned completion date for corrective action plan: September 30, 2026

2025-025

Immunization Cooperative Agreements 93.268

Recommendation: We recommend the Department complete implementation of its corrective action plan from the prior audit. It should establish procedures and internal controls to ensure that all required subawards are reported timely and accurately to SAM.gov no later than the end of the month following the month of issuance of each subaward.

Action taken in response to finding: The Bureau of Infectious Disease and Laboratory Sciences (BIDLS) will put in place starting May 1, 2026 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

Name(s) of the contact person(s) responsible for corrective action: Cheryl Bernard-Dort, Director of Administration and Finance, BIDLS

Planned completion date for corrective action plan: 7/31/2026

2025-026

Epidemiology and Laboratory Capacity for Infectious Diseases 93.323

Recommendation: We recommend the Department complete implementation of its corrective action plan from the prior audit. It should establish procedures and internal controls to ensure that all required subawards are reported timely and accurately to SAM.gov no later than the end of the month following the month of issuance of each subaward.

Action taken in response to finding: The Bureau of Infectious Disease and Laboratory Sciences (BIDLS) will put in place starting May 1, 2026 a process to review obligations for subawards under Epidemiology and Laboratory Capacity for Infectious Diseases COVID-19 – Epidemiology and Laboratory Capacity for Infectious Diseases - Assistance Listing No. 93.323, 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(s) of the contact person(s) responsible for corrective action: Cheryl Bernard-Dort, Director of Administration and Finance, BIDLS

Planned completion date for corrective action plan: 7/31/2026

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2025-027      Epidemiology and Laboratory Capacity for Infectious Diseases 93.323

Recommendation: We recommend the Department complete implementation of its corrective action plan from the prior year. We 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 program. The Department should review and enhance internal controls and procedures to ensure that it includes all required information in the subaward agreements.

Action taken in response to finding: The Department will implement a procedure to verify annually each city and town subrecipient meets the Single Audit threshold, obtain the corresponding audit reports from directly from the Federal Audit Clearinghouse (fac.gov), and document. Additionally, a monitoring checklist and staff training will be updated to reinforce these requirements and ensure ongoing compliance.

The Department implemented the FAIN number on 9/20/2025, amendments and new contracts after this date show this number.

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

Planned completion date for corrective action plan: 9/30/2026

2025-028      Epidemiology and Laboratory Capacity for Infectious Diseases 93.323

Recommendation: We recommend the Department complete implementation of its corrective action plan from the prior audit. We recommend that the Department review and enhance its internal controls to ensure financial reports are reviewed and approved prior to submission.

Action taken in response to finding: Fiscal reporting will consist of email communication from the Director of Administration and Finance to the Deputy Director of Administration and Finance or other designee requesting the Deputy Director of Administration and Finance or other designee to review both the quarterly report in the ELC's CAMP portal and the spreadsheet backup attached to the email communication that supports the financial data in ELC's CAMP portal. The Deputy Director of Administration and Finance or other designee will review the spreadsheet and financial data in ELC CAMP.

If the Deputy Director of Administration and Finance or other designee, approves, he/she will email the Director of Administration and Finance stating that he/she has reviewed and approved the data in the spreadsheet and in the ELC CAMP portal. If Deputy Director of Administration and Finance or other designee does not approve, he/she will communicate this through email to the Director of Administration and Finance with what the issues are and ask the Director of Administration and Finance to correct and resubmit the information to Deputy Director of Administration and Finance.

For the purposes of the fiscal reporting section of the finding : We started implementing this process with the 4th quarterly reporting covering May 2025-July 2025 for the budget period August 1, 2024-July 2025. We have continued this process for the next reporting cycle for the 1<sup>st</sup> and 2<sup>nd</sup> quarter of the new budget period August 1, 2025-July 2026. The 1st quarter covered August 1, 2025-October

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31,2025, reporting due to CDC November 2025. The 2<sup>nd</sup> quarter covered November 1, 2025-Januaray 31, 2026, reporting due to CDC February 2026

The program reporting follows : Programmatic performance reporting is completed in ELC CAMP under the direction of each section's programmatic lead(s) and the oversight of the Project Director (PD). Once completed, the multiple programmatic leads will email the PD to confirm the programmatic data are entered, have been reviewed, and the data are submitted. The Project Director will review the programmatic data in the ELC CAMP portal. If the Project Director finds errors, she will email the programmatic lead(s) identifying the error and ask the programmatic lead(s) to correct. The same process noted above would continue until the Project Director approves the programmatic performance report

Name(s) of the contact person(s) responsible for corrective action: Cheryl Bernard-Dort, Director of Administration and Finance, BIDLS and Nadia ElKamouss, Deputy Director of Administration and Finance, BIDLS; Natalie Morgenstern, Director, Division of Epidemiology, BIDLS

Planned completion date for corrective action plan: August 31, 2026

2025-029

CCDF Cluster 93.575, 93.596

Recommendation: We recommend the Department fully implement procedures and internal controls regarding written agreements as part of Program Integrity and Accountability. It should ensure that it fulfills the eight identified requirements including ensuring that the program complies with the approved Plan and all Federal requirements, monitoring programs and services, and ensuring that all State and local or non-governmental agencies through which the State administers the program, including agencies and contractors that determine individual eligibility, operate according to the rules established for the program.

Action taken in response to finding: The department is putting FFATA reporting procedures in place for all current contracts. Fiscal leadership meets regularly to review and refine federal reporting processes, including FFATA. The fiscal team is also providing FFATA specific training to staff, which will cover the purpose of FFATA reporting, required subrecipient data, and deadlines for collecting and submitting information.

Name(s) of the contact person(s) responsible for corrective action: Eric Hansson, CFO

Planned completion date for corrective action plan: September 30, 2026

2025-030

CCDF Cluster 93.575, 93.596

Recommendation: We recommend the Department complete implementation of its corrective action plan from the prior year. We recommend the Department develop procedures and internal controls to ensure that all required subawards are reported timely and accurately no later than the end of the month following the month of issuance of each subaward.

Action taken in response to finding: Over the next year, EEC will revise its written agreements with subrecipients to strengthen internal controls and support program integrity within the Child Care Financial Assistance (CCFA) program. These updates will ensure that agreements clearly reflect state and federal requirements

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related to CCFA program administration. As part of this effort, EEC will incorporate clearly defined subrecipient key performance indicators (KPIs) and indicators of success, a defined cadence for programmatic coordination meetings, and standardized monitoring checklists to assess adherence to program requirements, including applicable federal requirements.

These updates will support clearer expectations for subrecipients administering services and strengthen EEC's oversight of program implementation. Together, these efforts will promote program integrity, consistency in program administration, and greater accountability across all entities supporting CCFA operations.

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

Tyreese Nicolas, Deputy Commissioner of Family Access and Engagement

Planned completion date for corrective action plan: December 31, 2027

2025-031

Adoption Assistance 93.659

Recommendation: The Department should enhance its procedures and internal controls to ensure it maintains documentation of participant eligibility and child abuse and neglect registry checks, and that this documentation is readily available for audit. We also recommend the Department enhance the renewal letter to include the reaffirmation of the original subsidy agreement date by the participant.

Action taken in response to finding: For the finding related to signed adoption subsidy agreements, the Department has already implemented corrective actions to improve its process of maintaining signed adoption subsidy agreements. We built the capacity to upload electronic documents into iFamilyNet in July 2022, and we now ensure that all prospectively signed agreements are uploaded into the child's iFamilyNet record. In addition, since July 2023, during the Title IV-E eligibility determination process, the eligibility specialist verifies that the signed adoption subsidy agreement has been uploaded.

The Department will also explore the auditor's recommendation to enhance the renewal letter to include the reaffirmation of the original subsidy agreement date by the participant to see if it is technically feasible.

Although the Department was unable to produce a copy of a signed subsidy agreement, the Department has controls to oversee that a subsidy agreement was executed prior to legalization of the adoption through a built-in workflow process in our i-FamilyNet system. For the other 39 sample cases, the dates of the signatures by the Department and the pre-adoptive parents recorded in iFamilyNet matched the signature dates on the copies of the original signed agreements. Hence, the Department asserts the dates entered were accurate. We unfortunately could not produce the document to demonstrate that to the auditors.

For the finding relating to out-of-state child welfare checks, the Department has already implemented corrective actions to improve its process of documenting requests of out-of-state child welfare checks. In February 2023, the Department integrated the out-of-state child welfare check into the Background Record Check (BRC) section of the foster home licensing process where it can be documented and included as part of the assessment. The Department also added a value to

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our “contact purpose” drop down menu within the dictation screen in iFamilyNet to capture structured data that an out-of-state child welfare check was made.

Name(s) of the contact person(s) responsible for corrective action: Sharon Silvia, Assistant Commissioner of Permanency COMMONWEALTH OF MASSACHUSETTS CORRECTIVE ACTION PLAN YEAR ENDED JUNE 30, 2025

Planned completion date for corrective action plan: Signed Subsidy Agreements:

- July 2022 – capacity to upload electronic documents into iFamilyNet (complete)
- July 2023 – eligibility specialist verifies that the signed adoption subsidy agreement has been uploaded (complete)
- July 2026 – assess technical feasibility of enhancing the renewal letter

Out-of-State Child Welfare Checks:

- February 2023 – integrated out-of-state child welfare checks into BRC section and added value to contact purpose drop down (complete)

2025-032 Children's Health Insurance Program (CHIP) 93.767

Recommendation: The Department should enhance its procedures and internal controls to ensure it maintains documentation that claims are paid only to eligible providers and that documentation is readily available for audit.

Action taken in response to finding: MassHealth instructed the Third-Party Affiliation vendor, DentaQuest to: (1) generate revalidation letters; and (2) send providers revalidation letters, as appropriate, via email.

MassHealth plans to run a quarterly report to identify dental providers who are 3 months away from revalidation. MassHealth plans to share the report with DentaQuest to ensure that the revalidation process begins in a timely manner. Additionally, MassHealth has streamlined the maintenance of revalidation documentation by requiring DentaQuest to upload the documentation directly into MassHealth's Medicaid Management Information System (MMIS).

MassHealth plans to identify any additional dental providers (if any) who may be overdue for revalidation and share such information with DentaQuest and plans to instruct DentaQuest to reach out to the identified providers in order to begin the revalidation process.

MassHealth has updated its provider agreement processing procedures and now requires DentaQuest to upload executed provider agreements directly into MassHealth's Medicaid Management Information System (MMIS).

MassHealth has instructed DentaQuest to complete sanction verifications for all individuals listed on the disclosure forms.

MassHealth has updated its provider agreement processing procedures and now requires DentaQuest to: (1) send provider agreements to MassHealth directly for countersigning; and (2) upload executed provider agreements directly into MassHealth's MMIS.

Name(s) of the contact person(s) responsible for corrective action: Tuyen Vu, Deputy Director, Dental

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Planned completion date for corrective action plan: MassHealth anticipates implementing the above updated processes in the second quarter of calendar year 2026.

2025-033 Medicaid Cluster 93.775, 93.777, 93.778

Recommendation: The Department should enhance its procedures and internal controls to ensure it maintains documentation that claims are paid only to eligible providers and that documentation is readily available for audit.

Action taken in response to finding: MassHealth plans to run a quarterly report to identify dental providers who are 3 months away from revalidation. MassHealth plans to share the report with DentaQuest to ensure that the revalidation process begins in a timely manner. Additionally, MassHealth has streamlined the maintenance of revalidation documentation by requiring DentaQuest to upload the documentation directly into MassHealth's Medicaid Management Information System (MMIS).

MassHealth has updated its provider agreement processing procedures and now requires DentaQuest to upload executed provider agreements directly into MassHealth's MMIS.

MassHealth plans to identify any additional dental providers (if any) who may be overdue for revalidation and share such information with DentaQuest and plans to instruct DentaQuest to reach out to the identified providers in order to begin the revalidation process.

MassHealth instructed DentaQuest to: (1) generate revalidation letters; and (2) send providers revalidation letters, as appropriate, via email.

Name(s) of the contact person(s) responsible for corrective action: Tuyen Vu, Deputy Director, Dental

Planned completion date for corrective action plan: MassHealth anticipates implementing the above updated processes in the second quarter of calendar year 2026.

2025-034 Medicaid Cluster 93.775, 93.777, 93.778

Recommendation: The Department should enhance its procedures and internal controls to ensure it maintains documentation of participant eligibility and that this documentation is readily available for audit.

Action taken in response to finding: Currently, when a document is received at a MassHealth Enrollment Center, it is the worker's responsibility to collect the documentation and send it to the Electronic Document Management Center (EDMC) in New Bedford. Once the document is received it is prepped, scanned, and indexed to enable a worker to process the documentation within our eligibility system.

We are proposing a short-term and long-term solution to address the audit finding.

Short term solution:

This approach involves minimal modifications to the current operational process and can be quickly put into practice across all locations. All staff at the MassHealth

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Enrollment Centers are required to record in an Excel spreadsheet every document received at a MEC that was submitted by applicants or members. Subsequently, the document must be mailed to EDMC for further processing.

Long term solution:

Implementing this solution will involve modifications to the current operational processes and workflows within MassHealth Eligibility Operations and the system.

To facilitate this, we plan to initiate a comprehensive internal discussion involving different teams to gather insights, understand existing procedures, and identify areas where changes are needed to support the new solution. Once these preliminary discussions are completed, we will work with the relevant stakeholders to begin the development of the specific requirements that the new process will entail.

Name(s) of the contact person(s) responsible for corrective action: Tosin Adebisi, Director of Special Eligibility Programs and Audits, Marco Gonzales, Eligibility Quality Assurance Team Leader, April Aguiar, Director of EDMC, Rosana Senise, Director of MassHealth Eligibility

Planned completion date for corrective action plan: Short Term solution: April 1, 2026, Long Term solution: December 2027

2025-035

Opioid STR 93.788

Recommendation: We recommend the Department complete its corrective action plan from the prior year. The Department should verify that its internal controls and procedures are sufficient to ensure subrecipient monitoring is performed in compliance with the requirements of the federal program and that all required information is included in subaward agreements.

Action taken in response to finding: The Department will implement a procedure to verify annually each city and town subrecipient meets the Single Audit threshold, obtain the corresponding audit reports from directly from the Federal Audit Clearinghouse (fac.gov), and document. Additionally, a monitoring checklist and staff training will be updated to reinforce these requirements and ensure ongoing compliance.

The Department implemented the FAIN number on 9/20/2025, amendments and new contracts after this date show this number.

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

Planned completion date for corrective action plan: 9/30/2026

U.S. DEPARTMENT OF HOMELAND SECURITY

2025-036

Disaster Grants – Public Assistance (Presidentially Declared Disasters) 97.036

Recommendation: We recommend the Department complete implementation of its corrective action plan from the prior year. The Department should review and enhance its procedures and internal controls to ensure that all required subawards are reported timely and accurately to SAM.gov no later than the end of the month following the month of issuance of each subaward.

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Action taken in response to finding: MEMA has assigned entering roles and review/approval roles to several employees to ensure our ability to meet MEMA's FFATA reporting requirements.

Grants Units will not forward any contract, amendment, settlement agreement to CFO for signature without confirmation that a properly completed/signed FFATA form has been received from subrecipient.

Once contract/amendment/settlement agreement has been signed by CFO, grant program staff will save FFATA form in SharePoint FFATA folder, within the month/year of obligation (signed by MEMA). Grants Unit will have at least one position, and Fiscal will have at least one position assigned to the role of FFATA Data Entry. Assigned FFATA Data entry personnel will review the FFATA SharePoint folders for any recent FFATA forms. This review should be done weekly but no later than every other week.

All new FFATA forms will be entered into SAM.gov within ten (10) business days of subcontractor/subrecipient award obligation (date contract/amendment is signed by MEMA's CFO).

Grants Unit will have at least one position, and Fiscal will have at least one position assigned to the role of FFATA Data reviewer/approval. FFATA Data reviewers/approvals will be notified by FFATA Data entry personnel when new FFATA forms have been entered. Reviews/Approval will have ten (10) business days to review the new forms and either approval or reach back to the Data Entry personnel for clarification/adjustments if needed.

Name(s) of the contact person(s) responsible for corrective action: Shannon Norton, Chief Fiscal Officer

Planned completion date for corrective action plan: End of the Federal Fiscal Year 9/30/2025

If the Department of Health and Human Services has questions regarding this plan, please contact Jenny Hedderman, Assistant Comptroller for Statewide Risk Management and Compliance, at [jenny.hedderman@mass.gov](mailto:jenny.hedderman@mass.gov).



WILLIAM McNAMARA  
COMPTROLLER

# Commonwealth of Massachusetts

## OFFICE OF THE COMPTROLLER

ONE ASHBURTON PLACE, 9TH FLOOR  
BOSTON, MASSACHUSETTS 02108  
(617) 727-5000  
MACOMPTROLLER.ORG



### Commonwealth of Massachusetts Summary Schedule of Prior Year Audit Findings FY 2025

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 2024 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 resolved” if the corrective action plan (CAP) was fully implemented, “partially resolved” if the CAP was not fully implemented and “not resolved” 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)	Compliance Requirement	Description	Implementation Status	Reason for finding's recurrence	Corrective Action Plan
2023-004	10.557	DPH	WIC Special Supplemental Nutrition Program for Women, Infants, and Children	Eligibility- Subrecipient Agreements	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.	Fully Resolved	N/A - Fully Resolved	N/A
2023-019	84.425C	EDU	COVID-19 – Governor's Emergency Education Relief (GEER) Fund	Subrecipient Monitoring	The Department was unable to provide documentation that subawards it issued contained all required federal information.	Fully Resolved	N/A - Fully Resolved	N/A
2023-024	93.566	ORI	Refugee and Entrant Assistance State Administered Programs	Subrecipient Monitoring- Subaward Agreement	ORI subawards did not contain all required federal information. We noted that the Federal Award Identification Number was not provided to the subrecipients.	Fully Resolved	N/A - Fully Resolved	N/A
2023-035	93.788	DPH	Opioid-STR	Reporting Government Performance and Results (GPRA) Reporting Programmatic Progress Reports (PPR)	The 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 Department did not maintain documentation to support the timeliness of the submitted report. The 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.	Fully Resolved	N/A - Fully Resolved	N/A
2023-037	93.959	DPH	Block Grants for Prevention and Treatment of Substance Abuse, COVID-19 - Block Grants for Prevention and Treatment of Substance Abuse	Reporting Federal Funding Accountability and Transparency Act (FFATA)	The Department did not report subaward information in accordance with FFATA requirements.	Fully Resolved	N/A - Fully Resolved	N/A
2024-001, 2023-001, 2022-001, 2021-001, 2020-002, 2019-001, 2018-002	N/A	EOL	State	N/A	Accounting and Financial Reporting- Unemployment Compensation Trust Fund	Not resolved. See current year finding 2025-001.	Repeat finding in FY 2025. Corrective action currently being implemented.	Planned completion date is July 1, 2026. Actions Taken by Department: EOLWD Finance has restructured its department to better align functions with secretariat goals including enhanced overall compliance and internal controls. The Finance department has and continues to identify, assess, and mitigate risks; enhance procedures; and implement related changes. Additionally, for the second year in a row, the Finance department has established an updated internal control plan. Additionally, EOLWD and the Department of Unemployment Assistance (DUA) completed the launch of the second phase of a modernized online Unemployment Insurance (UI) system in May 2025, also known as EMT. This second phase covers all processes related to the payment of unemployment insurance benefits, including verifying claimant eligibility as well as calculating, issuing, tracking, and recording payments to claimants. The new system is a much-needed replacement to the legacy system (UI Online), which caused data integrity and reporting issues. EOLWD Finance engaged with DUA and the UI IT vendor, FAST Enterprises, in the development and testing of the new system to ensure the system's infrastructure and capabilities align with accounting and reporting standards. While previous issues will now be avoided thanks to the new UI system, the legacy data may continue to be reflected in DUA and EOLWD Finance reports over the next fiscal year. EOLWD Finance has implemented internal controls and SOPs for reconciliation of accounts and balances of the Fund's delegated system to the unemployment insurance bank accounts and MMARS monthly. Specifically, EOLWD Finance and DUA have finalized standard operating procedures under the legacy system for item b, Allowance for Uncollectible Employer Taxes Receivable and will soon finalize similar documentation for item g, Overdraw of Federal Pandemic Funds. Actions Pending Completion: EOLWD Finance will continue to work with DUA to establish clearer documentation and procedures for the items enumerated above for the GAAP package. The development and implementation of SOPs and process improvements for all GAAP package components will be supported by the new UI IT system which will enable more timely and more accurate reporting. In addition, to ongoing collaboration with the Office of the Comptroller—including continued timely submission of GAAP packages—EOLWD Finance and DUA will work with FAST Enterprises to continue to refine data reporting and initiate the integration of UI financial activity in the new iteration of MMARS. The planned completion date below is based on the progress planned for state FY26, most notably the integration with the new iteration of MMARS.
2024-002, 2023-002	N/A	EOL	State	N/A	Accounting and Financial Reporting – Special Contribution Unemployment Compensation Trust Fund	Partially Resolved	N/A - prior year finding with planned completion date subsequent to year-end	Planned completion date is July 31, 2025. In coordination with the Office of the Comptroller and the Treasurer, over the course of state fiscal year 2025, EOLWD designed and implemented procedures to record the Fund's activities and reconcile all activity no later than 30 days after month close. EOLWD documented these procedures in coordination with CTR and TRE and ensured recording of activity on a monthly basis thereafter.
2024-003	10.551, 10.561	DTA	SNAP Cluster	Special Tests and Provisions – EBT Reconciliation	The Department did not maintain proper documentation to support the required EBT Reconciliations.	Partially Resolved	N/A - prior year finding with planned completion date subsequent to year-end	Planned completion date is October 30, 2025. Starting July 2025, the Accounting Director (or Deputy Accounting Director when hired) will sign and date the reconciliation documentation (and retain) when reviews are performed. The standard operating procedures will be clarified that preparer and reviewer typing their names and date within the reconciliation documentation is an acceptable form of sign-off upon completion of the reconciliations and reviews.
2024-004, 2023-005, 2022-004	10.558	DESE	Child and Adult Care Food	Subrecipient Monitoring	The Department was unable to provide documentation that it issued subawards in compliance with federal regulations.	Partially Resolved	N/A - prior year finding with planned completion date subsequent to year-end	Planned completion date is June 30, 2026. The Office for Food and Nutrition Programs (FNP) has confirmed the 19 CACFP subrecipients (out of 327) that either do not have a UEI or have one but has not registered it in SAM.gov. FNP will notify the subrecipients that their federal reimbursements will be put on hold until they take action and provide DESE with sufficient documentation that they have completed the tasks.
2024-005, 2023-006, 2022-009	17.225	EOL	Unemployment Insurance	Special Tests- UI Benefits Payments	The Department did not complete BAM case investigations within the time limits established in the ET Handbook No. 395.	Not resolved. See current year finding 2025-011.	Repeat finding in FY 2025. Corrective action currently being implemented.	Planned completion date is June 30, 2026. Analysis showed that BAM Investigators spend a minimum of 20% of work hours devoted to clerical tasks necessary to develop an investigatory file. As part of MDUA's modernized UI system, the new system features an electronic BAM casefile which should reduce clerical work 5% or below, and, in turn, allow additional time to investigate and complete case work. BAM has always relied on postal mail as a primary methodology to contact interested persons. By integrating the BAM casefile into the UI system, investigators can send questionnaires and notifications to interested persons through the system. In turn, interested persons may complete questionnaires and upload information into the system thereby reducing time between issuance of documents and response.

Finding Reference	ALN #	Agency	Program(s)	Compliance Requirement	Description	Implementation Status	Reason for finding's recurrence	Corrective Action Plan
2024-006	17.225	EOL	Unemployment Insurance	Special Tests and Provisions: UI Reemployment Programs: RESEA	The Department was unable to provide a copy of a claimant's RESEA letter. In addition, the Department did not review performance reports prior to submission.	Not resolved. See current year finding 2025-012.	Repeat finding in FY 2025. Corrective action currently being implemented.	Planned completion date is December 31, 2025. MDUA's legacy system had a known issue with maintaining documents. In some instances, the legacy system did not keep a copy of correspondence. In May 2025, MDUA implemented a new, modernized UI administrative system known as EMT. During the integration process, memorializing documents the system generated was a priority. Now with a fully implemented system, all documents will be saved. In addition, the RESEA program has a required reporting standard administered through the federal SUN system. Although MDUA has an established process for completing this work, MDUA does not have an audit trail to show it was completed. Moving forward, MDUA will enhance this procedure to ensure MDUA has documentation to maintain compliance.
2024-007, 2023-007	17.207, 17.801	EOL	Employment Service Cluster	Reporting – Federal Funding Accountability and Transparency Act (FFATA)	The Department did not report subaward information to FSRS in accordance with FFATA requirements.	Not resolved. See current year finding 2025-003.	Repeat finding in FY 2025. Corrective action currently being implemented.	Planned completion date is September 30, 2025. EOLWD Finance needs to update the Standard Operating Procedure (SOP) to ensure compliance with the Federal Funding Accountability and Transparency Act (FFATA) reporting requirements. FFATA reporting as of FY 2025 has been transitioned to SAM.gov, providing a more streamlined and user-friendly platform for managing and tracking subaward reporting. To support timely submissions, a calendar reminder has been implemented to prompt monthly checks of reporting activity. The next phase of implementation will focus on expanding staff training to ensure more team members are equipped to complete FFATA reporting tasks accurately and by establishing a more accurate subaward report. Ongoing monitoring will continue to ensure reporting remains timely and accurate, with periodic reviews conducted to assess performance and identify any needed updates to the SOP.
2024-008, 2023-008	17.207, 17.801	EOL	Employment Service Cluster	Earmarking	The Department was unable to provide documentation of internal controls used to ensure compliance with the program's earmarking requirements.	Fully Resolved	N/A - Fully Resolved	N/A
2024-009, 2023-009	17.207, 17.801	EOL	Employment Service Cluster	Reporting-VETS-402(A/B)	Reports submitted by the Department did not agree with supporting documentation.	Not resolved. See current year finding 2025-004.	Repeat finding in FY 2025. Corrective action currently being implemented.	Planned completion date is June 30, 2026. Finance has developed a new Expenditure Detail Report (EDR) with their internal Finance Data Mart. This new report is designed to mirror the structure of federal quarter filings and improve the traceability between reported expenditures and source documentation. Beginning in FY26, phase codes associated with federal grant activity will be further disaggregated and mapped in MMARS screen BQ87 (Federal Grant Phase Budget Status). This enhancement will improve the accuracy and clarity of budget-to-actual comparisons by providing a clearer breakout of expenditures by phase. It will also strengthen internal controls and facilitate better alignment between MMARS, Finance Data Mart, and federal reporting requirements. Finance and DCS will continue to conduct joint reviews of the EDR each quarter to ensure data consistency across systems and compliance with federal reporting standards.
2024-010, 2023-013, 2022-011, 2021-012	17.258, 17.259, 17.278	EOL	WIOA Cluster	Reporting – Federal Funding Accountability and Transparency Act (FFATA)	The Department did not report subaward information to FSRS timely or accurately.	Not resolved. See current year finding 2025-015.	Repeat finding in FY 2025. Corrective action currently being implemented.	Planned completion date is September 30, 2025. EOLWD Finance has finalized a Standard Operating Procedure (SOP) to ensure compliance with the Federal Funding Accountability and Transparency Act (FFATA) reporting requirements. FFATA reporting as of FY 2025 has been transitioned to SAM.gov, providing a more streamlined and user-friendly platform for managing and tracking subaward reporting. To support timely submissions, a calendar reminder has been implemented to prompt monthly checks of reporting activity. The next phase of implementation will focus on expanding staff training to ensure more team members are equipped to complete FFATA reporting tasks accurately and efficiently. Ongoing monitoring will continue to ensure reporting remains timely and accurate, with periodic reviews conducted to assess performance and identify any needed updates to the SOP.
2024-011, 2023-011, 2022-010, 2021-011	17.258, 17.259, 17.278	EOL	WIOA Cluster	Reporting- ETA 9130 Financial Report	ETA 9130 financial reports submitted by the Department did not agree to supporting documentation.	Not resolved. See current year finding 2025-016.	Repeat finding in FY 2025. Corrective action currently being implemented.	Planned completion date is August 30, 2025. This issue occurred during a period when the preparation and submission of the ETA 9130 reports were handled by a single staff member without peer review. The lack of internal checks and collaborative review contributed to the inaccuracies. With new management and restructured team now in place, we have implemented and strengthened review processes. Moving forward, ETA 9130 reports will be jointly reviewed by Finance and program staff before submission and certification. Supporting documentation will be cross-checked for accuracy and completeness, and all relevant files will be maintained in a centralized, shared folder to ensure transparency and accountability. This multi-layered review and documentation process will be incorporated into standard quarterly reporting procedures to prevent future discrepancies and ensure federal reporting integrity.
2024-012	17.258, 17.259, 17.278	EOL	WIOA Cluster	Allowable Costs/Cost Principles	The Department was unable to provide documentation to support a negative expenditure adjustment made to the program.	Fully Resolved	N/A - Fully Resolved	N/A
2024-013, 2023-010, 2022-012, 2021-010, 2020-016, 2019-005, 2018-011	17.258, 17.259, 17.278	EOL	WIOA Cluster	Allowable Costs/Cost Principles – Time and Effort Reporting	The Department charged budgeted personnel costs to the program instead of actual costs due to errors coding employee timesheets.	Not resolved. See current year finding 2025-017.	Repeat finding in FY 2025. Corrective action currently being implemented.	Planned completion date is June 30, 2026. EOLWD Finance continues to address time and effort reporting compliance through targeted training and system enhancements. Ongoing training is provided for new staff to ensure they correctly enter combo codes that align with the activities performed. To strengthen oversight, a custom report has been developed to identify employees missing combo codes each week, allowing Finance staff to proactively follow up and ensure proper time charging weekly. Looking ahead, Finance will collaborate with departments in the upcoming fiscal year to update labor distribution profiles, ensuring that employees are defaulted to the correct combo codes for accurate and efficient time reporting.
2024-014, 2023-012, 2022-013, 2021-016	17.258, 17.259, 17.278	EOL	WIOA Cluster	Subrecipient Monitoring	The Department omitted required federal award information from subawards it issued to their subrecipients.	Not resolved. See current year finding 2025-019.	Repeat finding in FY 2025. Corrective action currently being implemented.	Planned completion date is November 12, 2025. The MassHire Department of Career Services (MHDCS) has reviewed, enhanced, and revised its documented internal controls and procedures to ensure that required award information is included and provided to its sub awardees through its formal submitted documentation.
2024-015, 2023-014	17.258, 17.259, 17.278	EOL	WIOA Cluster	Earmarking	The Department did not properly report compliance with the program's earmarking requirements.	Fully Resolved	N/A - Fully Resolved	N/A
2024-016, 2023-020	93.044, 93.045, 93.053	ELD	Aging Cluster	Reporting – Federal Funding Accountability and Transparency Act (FFATA)	The Department did not report subaward information to FSRS.	Not resolved. See current year finding 2025-022.	Repeat finding in FY 2025. Corrective action currently being implemented.	Planned completion date is July 1, 2026. AGE has developed a form to attach to all relevant contracts to capture required reporting requirements and will implement a calendar of reporting deadlines to the AGE internal control plan, specifically the section regarding federal grants management.
2024-017, 2023-021	93.044, 93.045, 93.053	ELD	Aging Cluster	Earmarking	The Department earmark calculation was not reviewed and approved by program management.	Fully Resolved	N/A - Fully Resolved	N/A
2024-018, 2023-022	93.044, 93.045, 93.053	ELD	Aging Cluster	Subrecipient Monitoring	The Department issued subawards that did not contain all required federal information. The Department also did not obtain a subrecipient's unique entity identifier.	Not resolved. See current year finding 2025-023.	Repeat finding in FY 2025. Corrective action currently being implemented.	Planned completion date is September 30, 2025. AGE establishes contracts in accordance with MA Comptroller guidelines, which do not require the specified unique entity identifiers. However, in accordance with Federal Guidance, AGE will update all entries related to subrecipients to capture this information going forward. This requirement will be added to AGE's internal control plan, specifically the section on federal grants management and compliance.
2024-019, 2023-023	93.268	DPH	Immunization Cooperative Agreements, COVID-19 - Immunization Cooperative Agreements	Reporting – Federal Funding Accountability and Transparency Act (FFATA)	The Department did not report subaward information to FSRS in accordance with FFATA requirements.	Not resolved. See current year finding 2025-025.	Repeat finding in FY 2025. Corrective action currently being implemented.	Planned completion date is January 31, 2026. The Bureau of Infectious Disease and Laboratory Sciences (BIDLS) will put in place starting August 1, 2025 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.
2024-020	93.323	DPH	Epidemiology and Laboratory Capacity for Infectious Diseases	Reporting – Federal Funding Accountability and Transparency Act (FFATA)	The Department did not report subaward information to FSRS in accordance with FFATA requirements.	Not resolved. See current year finding 2025-026.	Repeat finding in FY 2025. Corrective action currently being implemented.	Planned completion date is January 31, 2026. The Bureau of Infectious Disease and Laboratory Sciences (BIDLS) will put in place starting August 1, 2025 a process to review obligations for subawards under Epidemiology and Laboratory Capacity for Infectious Diseases COVID-19 – Epidemiology and Laboratory Capacity for Infectious Diseases - Assistance Listing No. 93.323, 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.

Finding Reference	ALN #	Agency	Program(s)	Compliance Requirement	Description	Implementation Status	Reason for finding's recurrence	Corrective Action Plan
2024-021	93.323	DPH	Epidemiology and Laboratory Capacity for Infectious Diseases	Reporting	The Department did not review and approve performance and financial reports prior to submission and a performance report was not submitted timely.	Not resolved. See current year finding 2025-028.	Repeat finding in FY 2025. Corrective action currently being implemented.	Planned completion date is June 30, 2026. Fiscal reporting will consist of email communication from the Director of Administration and Finance to the Deputy Director of Administration and Finance requesting the Deputy Director of Administration and Finance to review both the quarterly report in the ELC's CAMP portal and the attached spreadsheet backup attached to the email communication that supports the financial data in ELC's CAMP portal. The Deputy Director of Administration and Finance will review the spreadsheet and financial data in ELC CAMP. If the Deputy Director of Administration and Finance, approves, he/she will email the Director of Administration and Finance stating that he/she has reviewed and approved the data in the spreadsheet and in the ELC CAMP portal. If Deputy Director of Administration and Finance does not approve, he/she will communicate this through email to the Director of Administration and Finance with what the issues are and ask the Director of Administration and Finance to correct and resubmit the information to Deputy Director of Administration and Finance. Programmatic performance reporting is completed in ELC CAMP under the direction of each section's programmatic lead(s) and the oversight of the Project Director (PD). Once completed, the multiple programmatic leads will email the PD to confirm the programmatic data are entered, have been reviewed, and the data are submitted. The Project Director will review the programmatic data in the ELC CAMP portal. If the Project Director finds errors, she will email the programmatic lead(s) identifying the error and ask the programmatic lead(s) to correct. The same process noted above would continue until the Project Director approves the programmatic performance report.
2024-022	93.323	DPH	Epidemiology and Laboratory Capacity for Infectious Diseases	Subrecipient Monitoring	The Department omitted required federal award information from subawards it issued from the program.	Not resolved. See current year finding 2025-027.	Repeat finding in FY 2025. Corrective action currently being implemented.	Planned completion date is December 31, 2025. The Bureau of Infectious Disease and Laboratory Sciences (BIDLS) will put in place starting August 1, 2025, a process where subawards are notified of the required information on subaward agreements or other sufficiently documented communication most notably to now include the additional information of the following: Federal Award Identification Number (FAIN) Federal Award Date
2024-023	93.558	DTA	Temporary Assistance for Needy Families (TANF)	Reporting – ACF-196P – Pandemic Emergency Assistance Fund Report	The annual ACF-196P report was not submitted timely by the Department.	Fully Resolved	N/A - Fully Resolved	N/A
2024-024, 2021-020	93.558	DTA	Temporary Assistance for Needy Families (TANF)	Reporting – ACF-204 - Annual Report including the Annual Report on State Maintenance-of-Effort Programs	The annual ACF-204 report was not submitted timely by the Department.	Partially Resolved	N/A - prior year finding with planned completion date subsequent to year-end	Planned completion date is December 31, 2025. Going forward, the new budget director will test her access to the ACF platform in advance of the report due date to mitigate any technical issue in report submission.
2024-025, 2021-020	93.558	DTA	Temporary Assistance for Needy Families (TANF)	Reporting – ACF-209 - SSP-MOE Data Report	Reports submitted by the Department did not agree with supporting documentation and were not submitted timely.	Partially Resolved	N/A - prior year finding with planned completion date subsequent to year-end	Planned completion date is June 30, 2026. The Department will evaluate, enhance, and document its procedures and internal controls over the ACF-209 reporting to ensure the data in the reports are supported by documentation. Specifically, participants with zero earned income should not have a blank field and the reported unsubsidized hours - Block 43 UnsubEmpHrsc - in BEACON QI and the ACF-209 reports should be supported by BEACON Program, where applicable. Further, the Department will submit the ACF-209 reports timely on a quarterly basis. This includes reviewing and correcting rejected submissions and the errors from the partially accepted submissions by ACF and resubmitting the reports until acceptance by ACF.
2024-026	93.558	DTA	Temporary Assistance for Needy Families (TANF)	Special Tests and Provisions – Child Support Non-Cooperation	The Department did not apply sanctions in a timely manner to individuals who were not cooperating with the state.	Partially Resolved	N/A - prior year finding with planned completion date subsequent to year-end	Planned completion date is March 31, 2026. The Department will utilize existing training opportunities, including but not limited to new hire training, monthly supervisor webinars and ad hoc guest training from DOR to address this topic as needed. Further, the Department is working on building out a quality control program on sampling of TAFDC cases in the Quality Management organization. When built out, this program would include a sample review of child support non-cooperative cases to ensure sanctions are applied timely and appropriately. In the interim, ad hoc targeted reviews on this topic will be performed annually at minimum as a compensating control for risk mitigation. Reviews will be performed on a sample basis.
2024-027	93.558	DTA	Temporary Assistance for Needy Families (TANF)	Special Tests and Provisions – Penalty for Failure to Comply with Work Verification Plan	The Department was unable to demonstrate that it had maintained adequate documentation, verification, and internal control procedures to ensure the accuracy of the data used in calculating work participation rates.	Partially Resolved	N/A - prior year finding with planned completion date subsequent to year-end	Planned completion date is March 31, 2026. Part A. Program requirements on work hours self-attestation for self-employed. The Department will work on guidance that complies with the federal rules and develop instructions for staff on how to determine hours of work for those who are self-employed. Part B. Accuracy of reported hours of work. Quality Control (QC) managers will initial the unsubsidized hours field and the corresponding supporting documentation to indicate that a thorough review has been completed. The current procedure requires QC managers to review all cases, which 250 to 300 cases per month. Further, QC staff will also be reminded of the importance of accurately coding unsubsidized employment hours and will be instructed to double-check their work to minimize errors and maintain data integrity. QC management maintains the practice of reviewing a random 20% sample of all unsubsidized employment hours coded prior to quarterly transmission to ACF, to ensure ongoing accuracy and compliance. QC management will work with IT to explore the possibility of developing a management report or error report using backend BEACON data that would show specifics of errors corrected by QC managers or QC management to assist management in providing targeted training to QC staff.
2024-028, 2023-026, 2022-018	93.568	EOHLC	Low-Income Home Energy Assistance (LIHEAP)	Reporting – Federal Funding Accountability and Transparency Act (FFATA)	The Department did not report subaward information to FSRS in accordance with FFATA requirements.	Partially Resolved	N/A - prior year finding with planned completion date subsequent to year-end	Planned completion date is November 2025. 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. EOHLC notes that policies and procedures have already been put in place to remedy this issue.
2024-029, 2023-027, 2022-019	93.568	EOHLC	Low-Income Home Energy Assistance (LIHEAP)	Reporting – Special Reporting	The Quarterly Performance and Management Report submitted by the Department did not agree to supporting documentation.	Fully Resolved	N/A - Fully Resolved	N/A
2024-030, 2023-028	93.568	EOHLC	Low-Income Home Energy Assistance, COVID-19 - Low-Income Home Energy Assistance	Subrecipient Monitoring	The Department omitted required federal award information from subawards it issued from the program.	Fully Resolved	N/A - Fully Resolved	N/A
2024-031	93.575, 93.596	EEC	CCDF Cluster	Reporting – Federal Funding Accountability and Transparency Act (FFATA)	The Department did not report subaward information to FSRS.	Not resolved. See current year finding 2025-030.	Repeat finding in FY 2025. Corrective action currently being implemented.	Planned completion date is February 1, 2026. EEC developed and implemented new policies and procedures that detail the FFATA reporting requirements, notification process, and control environment, including the data sources, in September of 2022. EEC did not implement the procedures necessary to ensure the report is submitted to SAM.gov in a timely manner as required. Applicable Accounting, Contracts, and Budget staff will be trained on these policies and procedures.
2024-032	93.575, 93.596	EEC	CCDF Cluster	Special Tests and Provisions – Fraud Detection and Repayment	The Department did not promptly recover a fraudulent payment.	Fully Resolved	N/A - Fully Resolved	N/A

Finding Reference	ALN #	Agency	Program(s)	Compliance Requirement	Description	Implementation Status	Reason for finding's recurrence	Corrective Action Plan
2024-033, 2023-032	93.775, 93.777, 93.778	EHS	Medicaid Cluster, COVID-19 – Medicaid Cluster	Special Tests and Provisions – Refunding of Federal Share of Medicaid Overpayments to Providers	Errors were made by the Department when calculating the federal share of the overpayments to be returned on the CMS-64.	Fully Resolved	N/A - Fully Resolved	N/A
2024-034, 2023-029, 2022-020, 2021-024, 2020-007, 2019-012, 2018-022	93.775, 93.777, 93.778	EHS	Medicaid Cluster	Allowable Activities/Allowable Costs, Special Tests and Provisions – Provider Eligibility and Provider Health and Safety Standards	The Department did not properly monitor a provider that was determined to be high risk and, therefore, it failed to ensure the provider was eligible to provide services under the program.	Not resolved. See current year finding 2025-033.	Repeat finding in FY 2025. Corrective action currently being implemented.	Planned completion date is July 31, 2025. Providers who are identified as high risk, are sent for fingerprinting. Once the fingerprinting results are received, they are scheduled for a site visit. Business Support Services have reinforced with staff that the site visit must follow the fingerprinting results. Additionally, a checklist will be created for all high-risk providers to ensure that all required steps in the process are completed at enrollment, revalidation or when they are identified as having a credible allegation of fraud or appropriate overpayment.
2024-035	93.775, 93.777, 93.778	EHS	Medicaid Cluster	Eligibility	The Department did not properly resolve a case after MEQC review identified one or more errors in the eligibility determination.	Not resolved. See current year finding 2025-034.	Repeat finding in FY 2025. Corrective action currently being implemented.	Planned completion date is December 31, 2026. The State will implement the following corrective actions to enhance the oversight within the Eligibility Quality Assurance (EQA) program: Annual refresher training for supervisory staff The State will perform an annual refresher training for all Team Leaders and Supervisors who are responsible for reviewing and correcting tasks identified by the Eligibility Quality Assurance unit. Comprehensive training for new supervisory workers The State will ensure that all newly appointed Team Leaders and Supervisors receive a comprehensive training that will include a detailed overview of the eligibility review and correction process established by the Eligibility Quality Assurance unit. Review of corrections. The State will establish a process to assist and remind managers and supervisors that they are expected to review and approve all corrections made by the eligibility workers in response to the Eligibility Quality Assurance Unit findings. Documentations of such corrections will be maintained for audit and monitoring purposes. Standardized member outreach process for incomplete Employee Sponsored Insurance forms (ESI). The State will develop and implement a standardized process for timely outreach to members whose ESI form is identified as incomplete.
2024-036, 2023-025	93.566, 93.788, 93.959	DPH	Refugee and Entrant Assistance State Administered Programs, Opioid-STR	Subrecipient Monitoring	The Department omitted required federal award information from subawards issued from the program.	Not resolved. See current year finding 2025-035.	Repeat finding in FY 2025. Corrective action currently being implemented.	Planned completion date is December 31, 2025. A task has been added to our tracking system prompting contract managers to add FAIN and Grant Award Date information to an attachment to the Standard Contract Form. The DPH bureaus have consistently added this information to contract packages since this enhancement to our system was introduced.
2024-037, 2023-033	93.788	DPH	Opioid-STR	Reporting – Federal Funding Accountability and Transparency Act (FFATA)	The Department did not report subaward information to FSRS within thirty days after subaward issuance.	Fully Resolved	N/A - Fully Resolved	N/A
2024-038, 2021-026	97.036	MEMA	Disaster Grants	Reporting – Federal Funding Accountability and Transparency Act (FFATA)	The Department did not report subaward information to FSRS in accordance with FFATA requirements.	Not resolved. See current year finding 2025-036.	Repeat finding in FY 2025. Corrective action currently being implemented.	Planned completion date is February 1, 2026. MEMA is recognizing the importance of documentation and internal controls. This current fiscal year an Internal Control Group was formed to review, create and overhaul what is needed or needed to be updated. The team primary stakeholders is made up of the CFO, Legal Counsel, Assistant Director for Recovery and Mitigation and Emergency Management Grants Supervisor. We are making the completion of updated Policies and Procedures a priority to address the findings such as the ones being pointed out as a critical piece to the success of the agency going forward.
2024-039, 2021-027	97.036	MEMA	Disaster Grants	Allowable Costs/Cost Principles	The Agency was unable to provide documentation to support the allowability, approval, and proper accounting of expenditures charged to the program.	Fully Resolved	N/A - Fully Resolved	N/A