



COMMONWEALTH OF PENNSYLVANIA

SINGLE AUDIT

REPORT

For the Fiscal Year Ended June 30, 2024

THIS PAGE INTENTIONALLY LEFT BLANK

Commonwealth of Pennsylvania
Single Audit Report
For the Fiscal Year Ended June 30, 2024

Josh Shapiro, Governor



Prepared By:
Office of the Budget

Uri Z. Monson
Secretary

Brenda Warburton
Executive Deputy Secretary

John Kaschak
Deputy Secretary for Comptroller Operations

THIS PAGE INTENTIONALLY LEFT BLANK

**Commonwealth of Pennsylvania
Single Audit Report
For the Fiscal Year Ended June 30, 2024**

TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTORY SECTION	
Title Page	1
Table of Contents	3
Letter of Transmittal	4
INDEPENDENT AUDITORS' REPORTS	
Independent Auditors' Report	8
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 <i>Government Auditing Standards</i>	13
Independent Auditors' Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance	16
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	
Schedule of Expenditures of Federal Awards.....	24
Notes to the Schedule of Expenditures of Federal Awards.....	40
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	
Summary of Auditors' Results	44
Index to Basic Financial Statement Findings.....	47
Basic Financial Statement Findings.....	48
Index to Federal Award Findings and Questioned Costs	58
Matrix of Findings by Federal Agency.....	62
Federal Award Findings and Questioned Costs	63
MANAGEMENT'S SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS	
Findings for the Year Ended June 30, 2023.....	102
Findings for the Year Ended June 30, 2022	106
MANAGEMENT'S CORRECTIVE ACTION PLANS	
Corrective Action Plans - June 30, 2024	110
APPENDIX	
Legend of Abbreviations	129



COMMONWEALTH OF PENNSYLVANIA
OFFICE OF THE GOVERNOR

URI Z. MONSON
SECRETARY
GOVERNOR'S OFFICE OF THE BUDGET

March 19, 2025

To the United States Department of Health and Human Services:

We are pleased to submit the Commonwealth of Pennsylvania's (Commonwealth) Single Audit Report for the fiscal year ended June 30, 2024. This audit has been performed in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States, and satisfies the requirements of the Single Audit Act Amendments of 1996 and the provisions of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

The Commonwealth's Annual Comprehensive Financial Report for the year ended June 30, 2024 has been issued under separate cover. The auditors' report on the supplementary schedule of expenditures of federal awards, and the reports on compliance and internal control over financial reporting and compliance with requirements related to major federal programs are contained in this document.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

The accompanying Schedule of Expenditures of Federal Awards reflects \$44.9 billion of federal expenditures by the Commonwealth during the fiscal year ended June 30, 2024. Most of the federal expenditures occurred in fifteen state agencies, as follows:

AGENCY NAME	<u>FEDERAL EXPENDITURES</u> <u>(in thousands)</u>
Human Services	\$32,130,594
Education	4,641,392
Labor & Industry	2,644,993
Transportation	2,511,564
Health	725,180
Emergency Management Agency	355,452
Community & Economic Development	285,936
Agriculture	278,820
Executive Offices	227,472
Military & Veterans Affairs	187,718
Environmental Protection	150,739
Insurance	143,532
Drug and Alcohol Programs	139,599
PENNVEST	127,235
Aging	107,929
Subtotal	<u>\$44,658,155</u>
Other Agencies (16)	233,437
Grand Total	<u>\$44,891,592</u>

For purposes of the Commonwealth's single audit, a Type A federal program is any program with federal expenditures of at least \$67.3 million. Of the \$44.9 billion expended, 92 percent, or \$41.2 billion, represents expenditures under federal programs audited as major programs. The Summary of Auditors' Results lists the Commonwealth's 27 major federal programs tested for the fiscal year ended June 30, 2024.

FINDINGS AND RECOMMENDATIONS - CURRENT YEAR

The accompanying report for the fiscal year ended June 30, 2024 contains various findings, as disclosed in the Schedule of Findings and Questioned Costs. The findings pertaining to the audit of the Commonwealth's basic financial statements are detailed in the Basic Financial Statement Findings. Findings pertaining to the audit of the Commonwealth's federal programs are detailed in the Federal Award Findings and Questioned Costs. The findings contain detailed explanations of the compliance issues, questioned costs, the auditors' recommendations, and the agency responses. This report also includes the Commonwealth's corrective action plan for each finding.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

The Summary Schedule of Prior Audit Findings reflects the current status of prior year findings. The status of those findings is described from single audits between the years ended June 30, 2022 through June 30, 2023.

INDEPENDENT AUDIT

The Commonwealth's June 30, 2024 single audit and basic financial statement audit were performed jointly by the Department of the Auditor General and the independent public accounting firm of CliftonLarsonAllen LLP. The audits were performed pursuant to the authority vested in the Auditor General and the Governor under Section 402 of the Fiscal Code of 1929, and in the Governor under Section 701 of the Administrative Code of 1929.

REPORTS OF OTHER INDEPENDENT AUDITORS

Other auditors performed the single audits of the Pennsylvania Higher Education Assistance Agency, the Pennsylvania Housing Finance Agency, the State System of Higher Education (component units of the Commonwealth), the Philadelphia Regional Port Authority, the Commonwealth Financing Authority (blended component units of the Commonwealth), and the Judicial Department of Pennsylvania (part of the primary government). Federal programs administered by these agencies are not included in the Commonwealth's Schedule of Expenditures of Federal Awards. These agencies have sent their single audit reports directly to the Federal Audit Clearinghouse for distribution to the appropriate federal agencies.

ACKNOWLEDGMENTS

We wish to express our appreciation to the staff of the various Commonwealth agencies whose time and dedicated effort made this audit possible and, at the same time, to affirm our commitment to maintaining the highest standards of accountability in the Commonwealth's management of federal awards.

Sincerely,



Uri Z. Monson
Secretary of the Budget

THIS PAGE INTENTIONALLY LEFT BLANK

Independent Auditors' Reports



Commonwealth of Pennsylvania



Department of the Auditor General
Commonwealth of Pennsylvania
Harrisburg, Pennsylvania 17120-0018



CliftonLarsonAllen LLP
CLAconnect.com

INDEPENDENT AUDITORS' REPORT

The Honorable Joshua D. Shapiro, Governor
Commonwealth of Pennsylvania
Harrisburg, Pennsylvania

Report on the Audit of the Financial Statements

Opinions

We have jointly audited the accompanying 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 Pennsylvania (the Commonwealth), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Commonwealth's basic financial statements as listed in the table of contents of the separately issued Annual Comprehensive Financial Report.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position 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 June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not jointly audit the financial statements of certain funds and component units of the Commonwealth, which represent the indicated percent of assets and deferred outflows of resources and revenues or additions as presented in the table below. Those statements were audited by other auditors, including CliftonLarsonAllen LLP and the Commonwealth of Pennsylvania's Department of the Auditor General acting separately, whose reports have been furnished to us, and our opinions, insofar as it relates to the amounts included for those funds and component units, are based solely on the report of other auditors.

Opinion Unit	Entity	Percent of Opinion Unit's Total	
		Assets / Deferred Outflow of Resources	Revenues / Additions
Business-Type Activities	Tuition Payment Fund; State Stores Fund; Commonwealth Financing Authority; Philadelphia Regional Port Authority	56%	29%
Major Proprietary Fund	Tuition Payment Fund	100%	100%
Major Proprietary Fund	State Stores Fund	100%	100%
Major Proprietary Fund	Commonwealth Financing Authority	100%	100%

Opinion Unit	Entity	Percent of Opinion Unit's Total	
		Assets / Deferred Outflow of Resources	Revenues / Additions
Aggregate Discretely Presented Component Units	Pennsylvania Turnpike Commission; Pennsylvania Housing Finance Agency; Pennsylvania Higher Education Assistance Agency; Pennsylvania Infrastructure Investment Authority; State System of Higher Education; State Public School Building Authority; Philadelphia Shipyard Development Corporation; Port of Pittsburgh Commission; Pennsylvania Convention Center Authority; Thaddeus Stevens College of Technology; Pennsylvania Higher Educational Facilities Authority, Pennsylvania Health Insurance Exchange Authority	98%	99%
Aggregate Remaining Fund Information	Philadelphia Regional Port Authority; State Employees' Retirement System; Deferred Compensation Fund; Public School Employees' Retirement System; Tuition Account Investment Program; INVEST Program	89%	68%

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Commonwealth and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions. The financial statements of the State System of Higher Education, State Employees' Retirement System, the Deferred Compensation Fund, the Public School Employees' Retirement System, the Pennsylvania Higher Education Assistance Agency, the Pennsylvania Higher Educational Facilities Authority, the State Public School Building Authority, the Port of Pittsburgh Commission, the Pennsylvania Turnpike Commission, and the Philadelphia Regional Port Authority were not audited in accordance with the *Government Auditing Standards*.

Emphasis of Matter

Change in Accounting Principle

As described in Note 16 to the financial statements, effective July 1, 2023, the Commonwealth adopted new accounting guidance for change in accounting principle and financial reporting entity. The guidance requires a change in accounting principle and financial reporting entity to be reported retroactively by restating prior periods. Our opinions were not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Commonwealth's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. 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 and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commonwealth's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Commonwealth's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 21 – 46, and the schedules of pension and OPEB amounts, the budgetary comparison schedules, as listed in the table of contents and notes to the required supplementary information on pages 204 – 215, included in the separately issued Annual Comprehensive Financial Report, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We and other auditors have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Commonwealth's basic financial statements. The combining non-major fund and component unit financial statements, and the budgetary comparison schedules for budgeted non-major special revenue funds, as listed in the table of contents in the separately issued Annual Comprehensive Financial Report, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS by us and other auditors. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

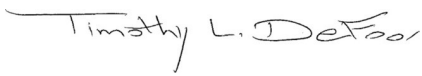
Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

The Honorable Joshua D. Shapiro, Governor
Commonwealth of Pennsylvania

Other Reporting Required by Government Auditing Standards

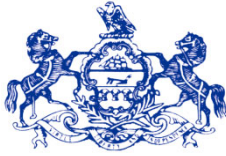
In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2024, on our consideration of the Commonwealth’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Commonwealth’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commonwealth’s internal control over financial reporting and compliance.



Harrisburg, Pennsylvania
December 20, 2024



Baltimore, Maryland
December 20, 2024



Department of the Auditor General
Commonwealth of Pennsylvania
Harrisburg, Pennsylvania 17120-0018



CliftonLarsonAllen LLP
CLAconnect.com

**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**

The Honorable Joshua D. Shapiro, Governor
Commonwealth of Pennsylvania
Harrisburg, Pennsylvania

We have jointly 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 Pennsylvania (the Commonwealth), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Commonwealth’s basic financial statements, and have issued our report thereon dated December 20, 2024. Our report includes a reference to other auditors, including CliftonLarsonAllen LLP and the Commonwealth of Pennsylvania’s Department of the Auditor General acting separately, who audited the financial statements of certain funds and component units of the Commonwealth, which represent the indicated percent of assets and deferred outflows of resources and revenues or additions as presented in the table below and described in our report of the Commonwealth’s financial statements. This report does not include the results of the other auditors’ testing of internal controls over financial reporting or compliance and other matters that are reported on separately by those auditors.

Opinion Unit	Entity	Percent of Opinion Unit’s Total	
		Assets / Deferred Outflows of Resources	Revenues / Additions
Business-Type Activities	Tuition Payment Fund; State Stores Fund; Commonwealth Financing Authority; Philadelphia Regional Port Authority	56%	29%
Major Proprietary Fund	Tuition Payment Fund	100%	100%
Major Proprietary Fund	State Stores Fund	100%	100%
Major Proprietary Fund	Commonwealth Financing Authority	100%	100%

Opinion Unit	Entity	Percent of Opinion Unit's Total	
		Assets / Deferred Outflows of Resources	Revenues / Additions
Aggregate Discretely Presented Component Units	Pennsylvania Turnpike Commission; Pennsylvania Housing Finance Agency; Pennsylvania Higher Education Assistance Agency; Pennsylvania Infrastructure Investment Authority; State System of Higher Education; State Public School Building Authority; Philadelphia Shipyard Development Corporation; Port of Pittsburgh Commission; Pennsylvania Convention Center Authority; Thaddeus Stevens College of Technology; Pennsylvania Higher Educational Facilities Authority; Pennsylvania Health Insurance Exchange Authority	98%	99%
Aggregate Remaining Fund Information	Philadelphia Regional Port Authority; State Employees' Retirement System; Deferred Compensation Fund; Public School Employees' Retirement System; Tuition Account Investment Program; INVEST Program	89%	68%

The financial statements of the State System of Higher Education, State Employees' Retirement System, the Deferred Compensation Fund, the Public School Employees' Retirement System, the Pennsylvania Higher Education Assistance Agency, the Pennsylvania Higher Educational Facilities Authority, the State Public School Building Authority, the Port of Pittsburgh Commission, the Pennsylvania Turnpike Commission and the Philadelphia Regional Port Authority were not audited in accordance with *Government Auditing Standards*.

Report on Internal Control Over Financial Reporting

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

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis.

A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2024-002 to be a material weakness.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2024-001 to be a significant deficiency.

Report on Compliance and Other Matters

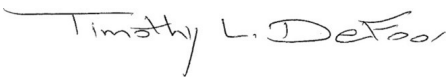
As part of obtaining reasonable assurance about whether the Commonwealth's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material 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 an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2024-002.

The Commonwealth's Response to Finding

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

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Harrisburg, Pennsylvania
December 20, 2024



Baltimore, Maryland
December 20, 2024



CliftonLarsonAllen LLP
 CLAcconnect.com

Department of the Auditor General
 Commonwealth of Pennsylvania
 Harrisburg, Pennsylvania 17120-0018

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

The Honorable Joshua D. Shapiro, Governor
 Commonwealth of Pennsylvania
 Harrisburg, Pennsylvania

Report on Compliance for Each Major Federal Program

Qualified and Unmodified Opinions

We have jointly audited the Commonwealth of Pennsylvania’s (Commonwealth) compliance with the types of compliance requirements identified as subject to audit 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, 2024. 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

Major Federal Program/Cluster	Type of Opinion
Supplemental Nutrition Assistance Program (SNAP) Cluster	Qualified
Food Distribution Cluster	Qualified
Education Stabilization Fund	Qualified
Aging Cluster	Qualified
Temporary Assistance for Needy Families	Qualified
Social Services Block Grant	Qualified
Child Nutrition Cluster	Unmodified
WIC Special Supplemental Nutrition Program for Women, Infants, and Children	Unmodified

Major Federal Program/Cluster	Type of Opinion
Child and Adult Care Food Program	Unmodified
National Guard Military Operations and Maintenance (O&M) Projects	Unmodified
Community Development Block Grants/State’s Program and Non-Entitlement Grants in Hawaii	Unmodified
Abandoned Mine Land Reclamation (AMLR)	Unmodified
Workforce Innovation and Opportunity Act (WIOA) Cluster	Unmodified
Unemployment Insurance	Unmodified
Highway Planning and Construction	Unmodified
Coronavirus State and Local Fiscal Recovery Funds	Unmodified
Drinking Water State Revolving Funds	Unmodified
Title I Grants to Local Educational Agencies	Unmodified
Special Education Cluster (IDEA)	Unmodified
Supporting Effective Instruction State Grants	Unmodified
Immunization Cooperative Agreements	Unmodified
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	Unmodified
Low-Income Home Energy Assistance Program	Unmodified
Children’s Health Insurance Program	Unmodified
Medicaid Cluster	Unmodified
Opioid STR	Unmodified
Block Grants for Substance Use Prevention, Treatment and Recovery Services	Unmodified

Qualified Opinion on the 6 Major Federal Programs Identified in the Preceding Table

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

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, 2024.

Basis for Qualified and Unmodified Opinions

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (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 qualified and unmodified opinions on compliance for each major federal program. Our audit does not provide a legal determination of the Commonwealth’s compliance with the compliance requirements referred to above.

Matters Giving Rise to Qualified Opinion on the 6 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 the following:

State Administering Agency	Finding Number	Assistance Listing Number (C = COVID-19)	Federal Program/Cluster	Compliance Requirement
Department of Aging	2024-003	93.044 – C 93.045 – C 93.053	Aging Cluster	Subrecipient Monitoring
Department of Human Services	2024-007	10.551 10.561 – C	Supplemental Nutrition Assistance Program (SNAP) Cluster	Special Tests and Provisions related to EBT Card Security
		93.558	Temporary Assistance for Needy Families	
Department of Human Services	2024-008	93.667	Social Services Block Grant	Cash Management and Subrecipient Monitoring
Various Agencies	2024-015	10.565 10.568 10.569	Food Distribution Cluster	Subrecipient Monitoring
		84.425 – C C, D, R, U, V, W	Education Stabilization Fund	
		93.044 – C 93.045 – C 93.053	Aging Cluster	

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

The Commonwealth’s basic financial statements include the operations of the State System of Higher Education, the Pennsylvania Higher Education Assistance Agency, the Philadelphia Shipyard Development Corporation, the Pennsylvania Housing Finance Agency, the Philadelphia Regional Port Authority, the Pennsylvania Convention Center Authority, the Commonwealth Financing Authority, and the Judicial Department of Pennsylvania, which received approximately \$3.7 billion in federal awards and \$9.7 billion of federal loan guarantees that are not included in the schedule of expenditures of federal awards for the year ended June 30, 2024. Our audit, described below, did not include the operations of these eight entities because other auditors were engaged to perform audits (when required) in accordance with the Uniform Guidance.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the 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. Our opinion on each major federal program is not modified with respect to these matters.

State Administering Agency	Finding Number	Assistance Listing Number (C = COVID-19)	Federal Program/Cluster	Compliance Requirement
Department of Agriculture	2024-004	10.553 10.555 – C 10.556 10.559 10.582	Child Nutrition Cluster	Special Tests and Provisions related to Accountability for USDA – Donated Foods
		10.565 10.568 10.569	Food Distribution Cluster	Special Tests and Provisions related to Accountability for USDA Foods
Department of Agriculture	2024-005	10.565 10.568 10.569	Food Distribution Cluster	Subrecipient Monitoring
Department of Health	2024-006	10.557 – C	WIC Special Supplemental Nutrition Program for Women, Infants, and Children	Activities Allowed or Unallowed and Allowable Costs/Cost Principles
Department of Human Services and Department of Labor and Industry	2024-009	93.558	Temporary Assistance for Needy Families	Subrecipient Monitoring
Department of Labor and Industry	2024-010	17.225 – C	Unemployment Insurance	Eligibility
Office of Budget Operations	2024-013	21.027 – C	Coronavirus State and Local Fiscal Recovery Funds	Reporting
Various Agencies	2024-014	10.565 10.568 10.569	Food Distribution Cluster	Subrecipient Monitoring
		93.044 – C 93.045 – C 93.053	Aging Cluster	

State Administering Agency	Finding Number	Assistance Listing Number (C = COVID-19)	Federal Program/Cluster	Compliance Requirement
	2024-014 (continued)	93.323 – C	Epidemiology and Laboratory Capacity for Infectious Diseases	
		93.558	Temporary Assistance for Needy Families	
		93.667	Social Services Block Grant	
		93.788	Opioid STR	
Various Agencies	2024-015	15.252	Abandoned Mine Land Reclamation (AMLR)	Subrecipient Monitoring
		21.027 – C	Coronavirus State and Local Fiscal Recovery Funds	
		93.558	Temporary Assistance for Needy Families	
		93.667	Social Services Block Grant	

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 2024-003, 2024-007, 2024-008, and 2024-015 to be material weaknesses.

The Honorable Joshua D. Shapiro, Governor
Commonwealth of Pennsylvania

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 2024-004, 2024-005, 2024-006, 2024-009, 2024-010, 2024-011, 2024-012, 2024-013, 2023-014, and 2024-015 to be significant deficiencies.

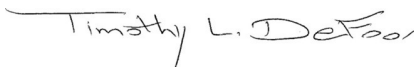
Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on the Commonwealth's response to the 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 jointly audited the financial statements, issued under separate cover, 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, 2024, and the related notes to the financial statements, which collectively comprise the Commonwealth's basic financial statements. We have issued our report thereon dated December 20, 2024, which includes a reference to other auditors and contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the 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.



Harrisburg, Pennsylvania
March 19, 2025



Baltimore, Maryland
March 19, 2025

Schedule of Expenditures of Federal Awards



Commonwealth of Pennsylvania

COMMONWEALTH OF PENNSYLVANIA

Schedule of Expenditures of Federal Awards - June 30, 2024

Assistance Listing #	Assistance Listing Program Name	Federal Expenditures (000's)	Passed Through to Subrecipients (000's)
U.S. Department of Agriculture			
<i>SNAP Cluster:</i>			
10.551	Supplemental Nutrition Assistance Program	4,283,439	
10.561	State Admin Matching Grants for Supplemental Nutrition Assistance Program	232,650	27,538
10.561	COVID-19 - State Admin Matching Grants for Supplemental Nutrition Assistance Program	10,891	1,385
	Total State Admin Matching Grants for Supplemental Nutrition Assistance Program	243,541	
	<i>Total SNAP Cluster</i>		4,526,980
<i>Child Nutrition Cluster:</i>			
10.553	School Breakfast Program	196,410	196,189
10.555	National School Lunch Program (Cash Assistance)	530,326	529,939
10.555	COVID-19 - National School Lunch Program (Cash Assistance)	41,588	41,564
10.555	National School Lunch Program (Food Commodities)	76,304	76,304
	Total National School Lunch Program	648,218	
10.556	Special Milk Program for Children	191	191
10.559	Summer Food Service Program for Children (Cash Assistance)	12,565	12,163
10.559	Summer Food Service Program for Children (Food Commodities)	36	36
	Total Summer Food Service Program for Children	12,601	
10.582	Fresh Fruit and Vegetable Program	6,423	6,423
	<i>Total Child Nutrition Cluster</i>		863,843
<i>Food Distribution Cluster:</i>			
10.565	Commodity Supplemental Food Program (Cash Assistance)	1,853	1,852
10.565	Commodity Supplemental Food Program (Food Commodities)	16,240	16,240
	Total Commodity Supplemental Food Program	18,093	
10.568	Emergency Food Assistance Program (Administrative Costs)	7,330	5,643
10.569	Emergency Food Assistance Program (Food Commodities)	98,416	98,416
	<i>Total Food Distribution Cluster</i>		123,839
<i>Forest Service Schools and Roads Cluster:</i>			
10.665	Schools and Roads - Grants to States		3,135
10.025	Plant and Animal Disease, Pest Control, and Animal Care	6,274	314
Passed through: Colorado State University			
10.025	Plant and Animal Disease, Pest Control, and Animal Care (Award ID G5034641)	55	
	Total Plant and Animal Disease, Pest Control, and Animal Care		6,329
10.028	Wildlife Services		431
10.093	Voluntary Public Access and Habitat Incentive Program		40
10.153	Market News		19
10.170	Specialty Crop Block Grant Program - Farm Bill	1,093	985
10.170	COVID-19 - Specialty Crop Block Grant Program - Farm Bill	220	220
	Total Specialty Crop Block Grant Program - Farm Bill		1,313

COMMONWEALTH OF PENNSYLVANIA

Schedule of Expenditures of Federal Awards - June 30, 2024

Assistance		Federal Expenditures (000's)	Passed Through to Subrecipients (000's)
Listing #	Assistance Listing Program Name		
10.171	Organic Certification Cost Share Programs	319	
10.182	COVID-19 - Pandemic Relief Activities: Local Food Purchase Agreements w/ States, Tribes, & Local Governments	12,057	12,050
10.185	Local Food for Schools Cooperative Agreement Program	2,000	
10.187	The Emergency Food Assistance Program (TEFAP) Commodity Credit Corporation Eligible Recipient Funds	1,098	1,098
10.525	Farm and Ranch Stress Assistance Network Competitive Grants Program	101	101
10.541	Child Nutrition- Technology Innovation Grant	211	
10.542	COVID-19 - Pandemic EBT Food Benefits	160,600	
10.557	WIC Special Supplemental Nutrition Program for Women, Infants, and Children	207,139	49,237
10.557	COVID-19 - WIC Special Supplemental Nutrition Program for Women, Infants, and Children	60	
	Total WIC Special Supplemental Nutrition Program for Women, Infants, and Children	207,199	
10.558	Child and Adult Care Food Program (Cash Assistance)	128,191	127,070
10.558	COVID-19 - Child and Adult Care Food Program (Cash Assistance)	(100)	(100)
10.558	Child and Adult Care Food Program (Food Commodities)	129	129
	Total Child and Adult Care Food Program	128,220	
10.560	State Administrative Expenses for Child Nutrition	10,603	
10.572	WIC Farmers' Market Nutrition Program (FMNP)	2,041	228
10.574	Team Nutrition Grants	151	
10.575	Farm to School Grant Program	127	
10.576	Senior Farmers Market Nutrition Program	1,656	
10.576	COVID-19 - Senior Farmers Market Nutrition Program	3,965	
	Total Senior Farmers Market Nutrition Program	5,621	
10.578	WIC Grants to States (WGS)	726	726
10.579	Child Nutrition Discretionary Grants Limited Availability	1,121	662
10.579	COVID-19 - Child Nutrition Discretionary Grants Limited Availability	894	894
	Total Child Nutrition Discretionary Grants Limited Availability	2,015	
10.645	COVID-19 - Farm to School State Formula Grant	94	
10.646	Summer Electronic Benefit Transfer Program for Children	17	
10.649	COVID-19 - Pandemic EBT Administrative Costs	21,121	1,584
10.664	Cooperative Forestry Assistance	14	
10.675	Urban and Community Forestry Program	1	
10.676	Forest Legacy Program	(10)	
10.678	Forest Stewardship Program	375	
10.680	Forest Health Protection	634	
10.691	Good Neighbor Authority	5	
10.698	State & Private Forestry Cooperative Fire Assistance	2,298	741
10.931	Agricultural Conservation Easement Program	263	
10.932	Regional Conservation Partnership Program	13	
Total - U.S. Department of Agriculture		\$6,083,843	\$1,212,957

25

COMMONWEALTH OF PENNSYLVANIA

Schedule of Expenditures of Federal Awards - June 30, 2024

Assistance Listing #	Assistance Listing Program Name	Federal Expenditures (000's)	Passed Through to Subrecipients (000's)
U.S. Department of Commerce			
	<i>Economic Development Cluster</i>		
11.307	COVID-19 - Economic Adjustment Assistance	4,356	225
11.032	State Digital Equity Planning and Capacity Grant	1,173	10
11.035	Broadband Equity, Access, and Deployment Program	2,408	
11.407	Interjurisdictional Fisheries Act of 1986	7	
11.419	Coastal Zone Management Administration Awards	2,579	1,378
11.474	Atlantic Coastal Fisheries Cooperative Management Act	153	
Total - U.S. Department of Commerce		\$10,676	\$1,613
U.S. Department of Defense			
12.112	Payments to States in Lieu of Real Estate Taxes	443	443
12.400	Military Construction, National Guard	98	
12.401	National Guard Military Operations and Maintenance (O&M) Projects	83,901	
12.404	National Guard Challenge Program	5,201	
12.620	Troops to Teachers Grant Program	(10)	(10)
Total - U.S. Department of Defense		\$89,633	\$433
U.S. Department of Housing and Urban Development			
	<i>CDBG - Entitlement/Special Purpose Grants Cluster:</i>		
14.218	Community Development Block Grants/Entitlement Grants	283	
	<i>CDBG - Disaster Recovery Grants Cluster:</i>		
14.269	Hurricane Sandy Community Development Block Grant Disaster Recovery Grants	1,496	1,401
14.228	Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	45,016	43,715
14.228	COVID-19 - Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	23,135	22,760
	Total Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	68,151	
14.231	Emergency Solutions Grant Program	4,769	4,361
14.231	COVID-19 - Emergency Solutions Grant Program	6,818	6,775
	Total Emergency Solutions Grant Program	11,587	
14.239	Home Investment Partnerships Program	14,802	12,457
14.239	COVID-19 - Home Investment Partnerships Program	456	
	Total Home Investment Partnerships Program	15,258	
14.241	Housing Opportunities for Persons with AIDS	4,266	4,251
14.267	Continuum of Care Program	1,453	
14.276	Youth Homelessness Demonstration Program	150	
14.401	Fair Housing Assistance Program - State and Local	945	
14.900	Lead Hazard Reduction Grant Program	995	956
Total - U.S. Department of Housing and Urban Development		\$104,584	\$96,676

COMMONWEALTH OF PENNSYLVANIA

Schedule of Expenditures of Federal Awards - June 30, 2024

Assistance Listing #	Assistance Listing Program Name	Federal Expenditures (000's)	Passed Through to Subrecipients (000's)
U.S. Department of the Interior			
	<i>Fish and Wildlife Cluster:</i>		
15.605	Sport Fish Restoration	11,368	
15.611	Wildlife Restoration and Basic Hunter Education	40,000	
	<i>Total Fish and Wildlife Cluster</i>	<u>51,368</u>	
15.018	Energy Community Revitalization Program (ECRP)	15,060	
15.073	Earth Mapping Resources Initiative	8	
15.250	Regulation of Surface Coal Mining and Surface Effects of Underground Coal Mining	12,290	
15.252	Abandoned Mine Land Reclamation (AMLR)	62,618	6,939
15.433	Flood Control Act Lands	2	2
15.438	National Forest Acquired Lands	4	4
15.608	Fish and Wildlife Management Assistance	185	
15.615	Cooperative Endangered Species Conservation Fund	8	
15.616	Clean Vessel Act	15	
15.634	State Wildlife Grants	1,786	
15.657	Endangered Species Recovery Implementation	50	
15.667	Highlands Conservation	1,058	
15.808	U.S. Geological Survey Research and Data Collection	36	
15.810	National Cooperative Geologic Mapping	138	
15.814	National Geological and Geophysical Data Preservation	43	
15.904	Historic Preservation Fund Grants-In-Aid	1,464	111
15.916	Outdoor Recreation Acquisition, Development and Planning	4,937	4,911
15.928	Battlefield Land Acquisition Grants	738	738
15.930	Chesapeake Bay Gateways Network	32	
	Total - U.S. Department of the Interior	\$151,840	\$12,705
U.S. Department of Justice			
16.004	Law Enforcement Assistance Narcotics and Dangerous Drugs Training	1,214	
16.017	Sexual Assault Services Formula Program	1,469	1,469
16.321	Antiterrorism Emergency Reserve	265	265
16.540	Juvenile Justice and Delinquency Prevention	1,188	992
16.550	State Justice Statistics Program for Statistic Analysis Centers	192	
16.554	National Criminal History Improvement Program (NCHIP)	1,022	84
16.575	Crime Victim Assistance	68,625	64,979
16.576	Crime Victim Compensation	6,739	
16.588	Violence Against Women Formula Grants	5,087	4,577
16.593	Residential Substance Abuse Treatment for State Prisoners	827	276
16.606	State Criminal Alien Assistance Program	4,766	

COMMONWEALTH OF PENNSYLVANIA

Schedule of Expenditures of Federal Awards - June 30, 2024

Assistance Listing #	Assistance Listing Program Name	Federal Expenditures (000's)	Passed Through to Subrecipients (000's)
16.609	Project Safe Neighborhoods	441	103
16.710	Public Safety Partnership and Community Policing Grants	2,806	
16.735	PREA Program: Strategic Support for PREA Implementation	73	
16.738	Edward Byrne Memorial Justice Assistance Grant Program	7,789	5,518
16.741	DNA Backlog Reduction Program	2,760	
16.742	Paul Coverdell Forensic Sciences Improvement Grant Program	748	598
16.750	Support for Adam Walsh Act Implementation Grant Program	223	
16.752	Economic, High-Tech, and Cyber Crime Prevention	77	
16.754	Harold Rogers Prescription Drug Monitoring Program	1,420	
16.812	Second Chance Act Reentry Initiative	377	204
16.813	NICS Act Record Improvement Program	678	
16.816	John R. Justice Prosecutors and Defenders Incentive Act	135	
16.827	Justice Reinvestment Initiative	(2)	(2)
16.831	Children of Incarcerated Parents	177	
16.835	Body Worn Camera Policy and Implementation	416	416
16.838	Comprehensive Opioid, Stimulant, and other Substances Use Program	1,747	1,747
16.839	STOP School Violence	161	161
16.922	Equitable Sharing Program	604	
Total - U.S. Department of Justice		\$112,024	\$81,387
U.S. Department of Labor			
<i>Employment Service Cluster:</i>			
17.207	Employment Service/Wagner-Peyser Funded Activities	21,279	
17.801	Jobs for Veterans State Grants	6,790	
<i>Total Employment Service Cluster</i>		<u>28,069</u>	
<i>WIOA Cluster:</i>			
17.258	WIOA Adult Program	44,648	42,166
17.259	WIOA Youth Activities	45,066	41,018
17.278	WIOA Dislocated Worker Formula Grants	53,652	45,752
<i>Total WIOA Cluster</i>		<u>143,366</u>	
17.002	Labor Force Statistics	2,256	
17.005	Compensation and Working Conditions	310	
17.225	Unemployment Insurance	2,045,904	197
17.225	COVID-19 - Unemployment Insurance	22,361	886
<i>Total Unemployment Insurance</i>		<u>2,068,265</u>	
17.235	Senior Community Service Employment Program	3,641	3,514
17.245	Trade Adjustment Assistance	6,328	329
17.260	WIA Dislocated Workers	2	

COMMONWEALTH OF PENNSYLVANIA

Schedule of Expenditures of Federal Awards - June 30, 2024

Assistance Listing #	Assistance Listing Program Name	Federal Expenditures (000's)	Passed Through to Subrecipients (000's)
17.261	Workforce Data Quality Initiative (WDQI)	53	
17.270	Reentry Employment Opportunities	427	292
17.271	Work Opportunity Tax Credit Program (WOTC)	553	
17.273	Temporary Labor Certification for Foreign Workers	639	
17.277	WIOA National Dislocated Worker Grants / WIA National Emergency Grants	917	
17.285	Registered Apprenticeship	1,857	505
17.600	Mine Health and Safety Grants	467	
Total - U.S. Department of Labor		\$2,257,150	\$134,659
U.S. Department of Transportation			
<i>Federal Motor Carrier Safety Assistance Cluster:</i>			
20.218	Motor Carrier Safety Assistance		16,813
<i>Federal Transit Cluster:</i>			
20.500	Federal Transit - Capital Investment Grants	5,652	4,325
20.507	Federal Transit - Formula Grants	5,427	741
20.525	State of Good Repair Grants Program	6,114	5,304
20.526	Buses and Bus Facilities Formula, Competitive, and Low or No Emissions Program	2,039	
<i>Total Federal Transit Cluster</i>			19,232
<i>Transit Services Programs Cluster:</i>			
20.513	Enhanced Mobility of Seniors & Individuals with Disabilities	12,730	12,730
20.513	COVID-19 - Enhanced Mobility of Seniors & Individuals with Disabilities	765	765
<i>Total Enhanced Mobility of Seniors & Individuals with Disabilities</i>		13,495	
20.516	Job Access and Reverse Commute Program	44	44
<i>Total Transit Services Programs Cluster</i>			13,539
<i>Highway Safety Cluster:</i>			
20.600	State and Community Highway Safety	10,591	5,798
20.616	National Priority Safety Programs	11,536	4,569
<i>Total Highway Safety Cluster</i>			22,127
20.106	Airport Improvement Program, and Infrastructure Investment and Jobs Act Programs	7,577	7,252
20.106	COVID-19 - Airport Improvement Program, and Infrastructure Investment and Jobs Act Programs	287	287
<i>Total Airport Improvement Program</i>		7,864	
20.200	Highway Research and Development Program	705	
20.205	Highway Planning and Construction	2,346,157	146,055
20.215	Highway Training and Education	14	
20.219	Recreational Trails Program	2,257	2,042
20.224	Federal Lands Access Program	31	

COMMONWEALTH OF PENNSYLVANIA

Schedule of Expenditures of Federal Awards - June 30, 2024

Assistance Listing #	Assistance Listing Program Name	Federal Expenditures (000's)	Passed Through to Subrecipients (000's)
20.232	Commercial Driver's License Program Implementation Grant	449	
20.325	Consolidated Rail Infrastructure and Safety Improvements	2,519	2,519
20.505	Metropolitan Trans Planning & State & Non-Metropolitan Planning & Research	6,089	
20.509	Formula Grants for Rural Areas and Tribal Transit Program	24,199	24,199
20.509	COVID-19 - Formula Grants for Rural Areas and Tribal Transit Program	18,814	18,814
	Total Formula Grants for Rural Areas and Tribal Transit Program	43,013	
20.528	Rail Fixed Guideway Public Trans. System State Safety Oversight Form. Grant Program	1,835	
20.614	National Highway Traffic Safety Admin Discretionary Safety Grants & Cooperative Agreements	154	
20.700	Pipeline Safety Program State Base Grant	2,776	
20.703	Interagency Hazardous Materials Public Sector Training and Planning Grants	1,278	415
20.721	PHMSA Pipeline Safety Program One Call Grant	48	
20.725	PHMSA Pipeline Safety Underground Natural Gas Storage Grant	37	
20.933	National Infrastructure Investments	35,782	16,342
20.934	Nationally Significant Freight and Highway Projects	239	
20.938	Rural Surface Transportation Grant Program	6,707	
	Total - U.S. Department of Transportation	\$2,529,665	\$252,201
U.S. Department of the Treasury			
21.016	Equitable Sharing	674	
21.019	COVID-19 - Coronavirus Relief Fund	(36)	
21.023	COVID-19 - Emergency Rental Assistance Program	23,477	22,878
21.027	COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	257,078	205,945
21.029	COVID-19 - Coronavirus Capital Projects Fund	745	
	Total - U.S. Department of the Treasury	\$281,938	\$228,823
Appalachian Regional Commission			
23.001	Appalachian Regional Development	175	
23.002	Appalachian Area Development	2,082	1,596
23.003	Appalachian Development Highway System	12,093	2,279
	Total - Appalachian Regional Commission	\$14,350	\$3,875
Equal Employment Opportunity Commission			
30.001	Employment Discrimination Title VII of the Civil Rights Act of 1964	2,175	
	Total - Equal Employment Opportunity Commission	\$2,175	\$0

COMMONWEALTH OF PENNSYLVANIA

Schedule of Expenditures of Federal Awards - June 30, 2024

Assistance Listing #	Assistance Listing Program Name	Federal Expenditures (000's)	Passed Through to Subrecipients (000's)
General Services Administration			
39.003	Donation of Federal Surplus Personal Property	531	531
Total - General Services Administration		\$531	\$531
National Foundation on the Arts and Humanities			
45.025	Promotion of the Arts - Partnership Agreements	1,170	
45.310	Grants to States	5,058	2,940
45.310	COVID-19 - Grants to States	249	249
	Total Grants to States	5,307	
45.312	COVID-19 - National Leadership Grants	1	
Total - National Foundation on the Arts and Humanities		\$6,478	\$3,189
Small Business Administration			
59.061	State Trade Expansion	417	
Total - Small Business Administration		\$417	\$0
U.S. Department of Veterans Affairs			
64.010	Veterans Nursing Home Care	63	
64.014	Veterans State Domiciliary Care	2,409	
64.015	Veterans State Nursing Home Care	46,504	
64.111	Veterans Education Assistance	1,277	
Total - U.S. Department of Veterans Affairs		\$50,253	\$0
Environmental Protection Agency			
66.001	Air Pollution Control Program Support	3,482	
66.032	State Indoor Radon Grants	520	
66.034	Surveys, Studies, Research, Investigations, Demos & Special Purpose Activities - Clean Air Act	861	
66.034	COVID-19 - Surveys, Studies, Research, Investigations, Demos & Special Purpose Activities - Clean Air Act	391	
	Total Surveys, Studies, Research, Investigations, Demos & Special Purpose Activities - Clean Air Act	1,252	
66.040	Diesel Emissions Reduction Act (DERA) State Grants	323	323
66.046	Climate Pollution Reduction Grants	236	
66.204	Multipurpose Grants to States and Tribes	830	822
66.419	Water Pollution Control State, Interstate, and Tribal Program Support	7,261	
66.432	State Public Water System Supervision	4,501	
66.442	Water Infrastructure Improvements for the Nation SUDC Emerging Contaminants Grant Program	385	48
66.447	Sewer Overflow and Stormwater Reuse Municipal Grant Program	2,366	2,366
66.454	Water Quality Management Planning	782	107
66.458	Capitalization Grants for Clean Water State Revolving Funds	55,291	55,291

COMMONWEALTH OF PENNSYLVANIA

Schedule of Expenditures of Federal Awards - June 30, 2024

Assistance Listing #	Assistance Listing Program Name	Federal Expenditures (000's)	Passed Through to Subrecipients (000's)
66.460	Nonpoint Source Implementation Grants	5,364	3,851
66.461	Regional Wetland Program Development Grants	105	
66.466	Geographic Programs - Chesapeake Bay Program	2,031	753
66.468	Drinking Water State Revolving Funds	77,906	67,320
66.469	Geographic Programs - Great Lakes Restoration Initiative	355	181
66.605	Performance Partnership Grants	1,065	
66.608	Environmental Information Exchange Network Grant Program	212	
66.801	Hazardous Waste Management State Program Support	5,046	
66.804	Underground Storage Tank (UST) Prevention, Detection, and Compliance Program	547	
66.805	Leaking Underground Storage Tank Trust Fund Corrective Action Program	1,371	
66.817	State and Tribal Response Program Grants	1,492	
66.964	Geographic Programs - Chesapeake Bay Program Implementation, Regulatory/Accountability and Monitoring Grants	5,468	2,011
Total - Environmental Protection Agency		\$178,191	\$133,073
U.S. Department of Energy			
81.041	State Energy Program	3,287	176
81.042	Weatherization Assistance for Low-Income Persons	32,853	30,346
81.089	Fossil Energy Research and Development	205	
81.138	State Heating Oil & Propane Program	7	
Total - U.S. Department of Energy		\$36,352	\$30,522
U.S. Department of Education			
<i>Special Education Cluster (IDEA):</i>			
84.027	Special Education - Grants to States	508,320	494,230
84.027	COVID-19 - Special Education - Grants to States	3,285	3,285
Total Special Education - Grants to States		511,605	
84.173	Special Education - Preschool Grants	14,264	13,513
84.173	COVID-19 - Special Education - Preschool Grants	2,744	2,744
Total Special Education - Preschool Grants		17,008	
<i>Total Special Education Cluster (IDEA)</i>		528,613	
<i>TRIO Cluster:</i>			
84.042	TRIO - Student Support Services		305
<i>Student Financial Assistance Programs Cluster:</i>			
84.007	Federal Supplemental Educational Opportunity Grants	85	
84.033	Federal Work-Study Program	23	
84.063	Federal Pell Grant Program	4,390	
84.268	Federal Direct Student Loans	4,517	
<i>Total Student Financial Assistance Programs Cluster</i>		9,015	

COMMONWEALTH OF PENNSYLVANIA

Schedule of Expenditures of Federal Awards - June 30, 2024

Assistance Listing #	Assistance Listing Program Name	Federal Expenditures (000's)	Passed Through to Subrecipients (000's)
84.002	Adult Education - Basic Grants to States	18,279	17,383
84.010	Title I Grants to Local Educational Agencies	681,791	674,994
84.011	Migrant Education - State Grant Program	6,224	5,615
84.013	Title I State Agency Program for Neglected and Delinquent Children and Youth	1,726	1,461
84.048	Career and Technical Education - Basic Grants to States	53,361	50,259
84.126	Rehabilitation Services - Vocational Rehabilitation Grants to States	199,608	
84.144	Migrant Education - Coordination Program	57	57
84.177	Rehabilitation Services - Independent Living Services for Older Individuals Who are Blind	1,714	
84.181	Special Education - Grants for Infants and Families	18,476	16,125
84.181	COVID-19 - Special Education - Grants for Infants and Families	460	460
	Total Rehabilitation Services - Special Education - Grants for Infants and Families	18,936	
84.184	School Safety National Activities	79	
84.187	Supported Employment Services for Individuals with the Most Significant Disabilities	326	
84.196	Education for Homeless Children and Youth	3,854	3,439
84.287	Twenty-First Century Community Learning Centers	45,502	42,889
84.323	Special Education - State Personnel Development	1,553	1,437
84.358	Rural Education	940	940
84.365	English Language Acquisition State Grants	17,046	16,597
84.367	Supporting Effective Instruction State Grants	74,168	71,161
84.369	Grants for State Assessments and Related Activities	13,306	
84.372	Statewide Longitudinal Data Systems	215	
84.421	Disability Innovation Fund (DIF)	631	
84.424	Student Support and Academic Enrichment Program	50,464	48,686
84.425C	COVID-19 - Education Stabilization Fund - GEER Fund	3,375	2,519
84.425D	COVID-19 - Education Stabilization Fund - ESSER Fund	198,681	187,563
84.425F	COVID-19 - Education Stabilization Fund - HEERF Institutional Portion	1,108	
84.425R	COVID-19 - Education Stabilization Fund - CRRSA EANS Program	16,070	16,048
84.425U	COVID-19 - Education Stabilization Fund - ARP ESSER	1,717,006	1,722,808
84.425V	COVID-19 - Education Stabilization Fund - ARP EANS Program	36,574	36,382
84.425W	COVID-19 - Education Stabilization Fund - ARP ESSER HCY	6,900	6,900
	Total COVID-19 - Education Stabilization Fund	1,979,714	
Total - U.S. Department of Education		\$3,707,427	\$3,437,495
Elections Assistance Commission			
90.401	Help America Vote Act Requirements Payments	(10)	
90.404	2018 HAVA Election Security Grants	2,881	774
Total - Elections Assistance Commission		\$2,871	\$774

COMMONWEALTH OF PENNSYLVANIA

Schedule of Expenditures of Federal Awards - June 30, 2024

Assistance Listing #	Assistance Listing Program Name			Federal Expenditures (000's)	Passed Through to Subrecipients (000's)
U.S. Department of Health and Human Services					
<i>Aging Cluster:</i>					
93.044	Special Programs for the Aging - Title III, Part B, Grants for Supp Svc & Senior Cntrs		25,582		23,779
93.044	COVID-19 - Special Programs for the Aging - Title III, Part B, Grants for Supp Svc & Senior Cntrs		7,714		7,109
	Total Special Programs for the Aging - Title III, Part B, Grants for Supp Svc & Senior Cntrs			33,296	
93.045	Special Programs for the Aging - Title III, Part C, Nutrition Services		24,857		23,138
93.045	COVID-19 - Special Programs for the Aging - Title III, Part C, Nutrition Services		10,611		10,451
	Total Special Programs for the Aging - Title III, Part C, Nutrition Services			35,468	
93.053	Nutrition Services Incentive Program			6,500	6,500
	<i>Total Aging Cluster</i>			75,264	
<i>CCDF Cluster:</i>					
93.575	Child Care and Development Block Grant		340,687		316,300
93.575	COVID-19 - Child Care and Development Block Grant		176,433		176,433
	Total Child Care and Development Block Grant			517,120	
93.596	Child Care Mandatory and Matching Funds of the Child Care and Development Fund			92,854	92,611
	<i>Total CCDF Cluster</i>			609,974	
<i>Head Start Cluster:</i>					
93.600	Head Start			6,059	6,059
<i>Medicaid Cluster:</i>					
93.775	State Medicaid Fraud Control Units			9,384	
93.777	State Survey & Cert. of Health Care Providers & Suppliers (Title XVIII) Medicare		21,425		
93.777	COVID-19 - State Survey & Cert. of Health Care Providers & Suppliers (Title XVIII) Medicare		104		
	Total State Survey & Cert. of Health Care Providers & Suppliers (Title XVIII) Medicare			21,529	
93.778	Medical Assistance Program		24,679,299		377,204
93.778	COVID-19 - Medical Assistance Program		465,949		4,992
	Total Medical Assistance Program			25,145,248	
	<i>Total Medicaid Cluster</i>			25,176,161	
93.008	Medical Reserve Corps Small Grant Program			39	39
93.041	Special Programs for the Aging - Title VII, Chapter 3, Programs for Prev of Elder Abuse			285	285
93.042	Special Programs for the Aging - Title VII, Chapter 2, Long Term Care Om. Services			1,077	775
93.042	COVID-19 - Special Programs for the Aging - Title VII, Chapter 2, Long Term Care Om. Services			295	236
	Total Special Programs for the Aging - Title VII, Chapter 2, Long Term Care Om. Services			1,372	
93.043	Special Programs for the Aging - Title III, Part D, Disease Prevent and Health Promo Serv			885	885
93.043	COVID-19 - Special Programs for the Aging - Title III, Part D, Disease Prevent and Health Promo Serv			618	618
	Total Special Programs for the Aging - Title III, Part D, Disease Prevent and Health Promo Serv			1,503	
93.048	COVID-19 - Special Programs for the Aging - Title IV and Title II, Discretionary Projects			449	291

COMMONWEALTH OF PENNSYLVANIA

Schedule of Expenditures of Federal Awards - June 30, 2024

Assistance Listing #	Assistance Listing Program Name	Federal Expenditures (000's)	Passed Through to Subrecipients (000's)
93.052	National Family Caregiver Support, Title III, Part E	10,815	10,815
93.052	COVID-19 - National Family Caregiver Support, Title III, Part E	1,999	1,957
	Total National Family Caregiver Support, Title III, Part E		12,814
93.069	Public Health Emergency Preparedness		18,896
93.070	Environmental Public Health and Emergency Response		1,294
93.071	Medicare Enrollment Assistance Program		1,025
93.079	Cooperative Agreements to Promote Adolescent Health		82
93.090	Guardianship Assistance	13,871	13,031
93.090	COVID-19 - Guardianship Assistance	1,569	1,569
	Total Guardianship Assistance		15,440
93.092	Affordable Care Act (ACA) Personal Responsibility Education Program		989
93.103	Food and Drug Administration - Research		2,067
93.104	Community Mental Health Services for Children with Serious Emotional Disturbances		2,220
93.110	Maternal and Child Health Federal Consolidated Programs		414
93.116	Project Grants and Cooperative Agreements for Tuberculosis Control Programs		1,548
93.127	Emergency Medical Services for Children		152
93.130	Coop. Agreements to States/Territories for the Coordination & Dev. of Primary Care Offices		292
93.136	Injury Prevention & Control Research & State & Community Based Programs		8,358
93.150	Projects for Assistance in Transition from Homelessness (PATH)		2,126
93.165	Grants to States for Loan Repayment		624
93.197	Childhood Lead Poisoning Prevention Projects, St and Lcl Childhood Lead Poising Prev		453
93.234	Traumatic Brain Injury State Demonstration Grant Program	215	206
93.234	COVID-19 - Traumatic Brain Injury State Demonstration Grant Program	22	22
	Total Traumatic Brain Injury State Demonstration Grant Program		237
93.235	Title V State Sexual Risk Avoidance Education (Title V State SRAE) Program		1,555
93.236	Grants to States to Support Oral Health Workforce Activities		378
93.240	State Capacity Building		392
93.243	Substance Abuse and Mental Health Services - Projects of Reg. and Nat. Significance		5,503
93.251	Early Hearing Detection and Intervention		193
93.262	Occupational Safety and Health Program		121
93.268	Immunization Cooperative Agreements (Cash Assistance)	10,730	2,608
93.268	COVID-19 - Immunization Cooperative Agreements (Cash Assistance)	31,358	17,714
93.268	Immunization Cooperative Agreements (Vaccines)	127,807	
	Total Immunization Cooperative Agreements		169,895
93.270	Viral Hepatitis Prevention and Control		329
93.283	Centers for Disease Control & Prevention - Investigations and Technical Assistance		20
93.323	Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	3,943	831
93.323	COVID-19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	133,260	74,610
	Total Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)		137,203

COMMONWEALTH OF PENNSYLVANIA

Schedule of Expenditures of Federal Awards - June 30, 2024

Assistance Listing #	Assistance Listing Program Name		Federal Expenditures (000's)	Passed Through to Subrecipients (000's)
93.324	State Health Insurance Assistance Program		2,501	1,221
93.324	COVID-19 State Health Insurance Assistance Program		16	
	Total State Health Insurance Assistance Program		2,517	
93.336	Behavioral Risk Factor Surveillance System		218	
93.336	COVID-19 - Behavioral Risk Factor Surveillance System		177	
	Total Behavioral Risk Factor Surveillance System		395	
93.354	PHER: Cooperative Agreement for Emergency Response: Public Health Crisis Response		209	
93.354	COVID-19 - PHER: Cooperative Agreement for Emergency Response: Public Health Crisis Response		7,696	6,241
	Total PHER: Cooperative Agreement for Emergency Response: Public Health Crisis Response		7,905	
93.366	State Actions to Improve Oral Health Outcomes & Partner Actions to Improve Oral Health Outcomes		424	268
93.367	Flexible Funding Model - Infrastructure Development & Maintenance for SMFRP		334	
93.369	ACL Independent Living State Grants		453	453
93.387	National and State Tobacco Control Program		2,281	911
93.391	COVID-19 - STLT Health Department Response to Public Health Crises		6,159	5,578
93.413	The State Flexibility to Stabilize the Market Grant Program		309	
93.423	1332 State Innovation Waivers		124,250	
93.426	Improving the Hlth of Americans through Prev & Mgmt of Diab & HD and Stroke		1,643	1,225
93.434	Every Student Succeeds Act/Preschool Development Grants		7,703	7,703
93.436	Well-Integrated Screening and Evaluation for Women Across the Nation (WISEWOMAN)		456	44
93.439	State Physical Activity and Nutrition (SPAN)		426	248
93.472	Title IV-E Prevention Program		2,568	2,568
93.478	Preventing Maternal Deaths: Supporting Maternal Mortality Review Committees		610	231
93.497	COVID-19 - Family Violence Prevention and Services/ Sexual Assault/Rape Crisis Services and Supports		1,127	1,127
93.499	COVID-19 - Low Income Household Water Assistance Program		7,331	
93.556	Promoting Safe and Stable Families Program		14,976	13,613
93.558	Temporary Assistance for Needy Families		380,987	210,309
93.563	Child Support Enforcement		200,531	149,316
93.566	Refugee and Entrant Assistance - State/Replacement Designee Administered Programs		33,355	22,482
93.568	Low-Income Home Energy Assistance		250,050	53,286
93.569	Community Services Block Grant		34,793	33,384
93.583	Refugee and Entrant Assistance - Wilson/Fish Program		501	501
93.590	Community-Based Child Abuse Prevention Grants		1,327	1,327
93.590	COVID-19 - Community-Based Child Abuse Prevention Grants		1,680	1,680
	Total Community-Based Child Abuse Prevention Grants		3,007	
93.597	Grants to States for Access and Visitation Programs		290	290
93.599	Chafee Education and Training Vouchers Program (ETV)		1,171	1,171
93.603	Adoption and :Legal Guardianship Incentive Payments		3,458	1,832
93.630	Developmental Disabilities Basic Support and Advocacy Grants		3,612	2,107
93.639	COVID-19 - State Planning Grants for Qualifying Community-Based Mobile Crisis Intervention Services		197	102
93.643	Children's Justice Grants to States		548	526
93.645	Stephanie Tubbs Jones Child Welfare Services Program		11,683	10,740

COMMONWEALTH OF PENNSYLVANIA

Schedule of Expenditures of Federal Awards - June 30, 2024

Assistance Listing #	Assistance Listing Program Name		Federal Expenditures (000's)	Passed Through to Subrecipients (000's)
93.658	Foster Care - Title IV-E	193,068		178,355
93.658	COVID-19 - Foster Care - Title IV-E	2,281		2,281
	Total Foster Care - Title IV-E		195,349	
93.659	Adoption Assistance	158,502		119,113
93.659	COVID-19 - Adoption Assistance	5,515		5,515
	Total Adoption Assistance		164,017	
93.667	Social Services Block Grant		91,741	78,383
93.669	Child Abuse and Neglect State Grants	1,561		814
93.669	COVID-19 - Child Abuse and Neglect State Grants	1,173		377
	Total Child Abuse and Neglect State Grants		2,734	
93.671	Family Violence Prevention & Services/Domestic Violence Shelter & Supportive Services	4,669		4,669
93.671	COVID-19 - Family Violence Prevention & Services/Domestic Violence Shelter & Supportive Services	3,009		3,009
	Total Family Violence Prevention & Services/Dom. Violence Shelter & Supportive Services		7,678	
93.674	John H. Chafee Foster Care Program for Successful Transition for Adulthood	4,787		4,106
93.674	COVID-19 - John H. Chafee Foster Care Program for Successful Transition for Adulthood	(36)		(36)
	Total John H. Chafee Foster Care Program for Successful Transition for Adulthood		4,751	
93.734	Empowering Older Adults and Adults with Disabilities (PPHF)		35	
93.747	Elder Abuse Prevention Interventions Program	296		
93.747	COVID-19 - Elder Abuse Prevention Interventions Program	4,290		3,518
	Total Elder Abuse Prevention Interventions Program		4,586	
93.767	Children's Health Insurance Program	486,879		1,281
93.767	COVID-19 - Children's Health Insurance Program	7,653		7
	Total Children's Health Insurance Program		494,532	
93.788	Opioid STR		98,942	57,929
93.791	Money Follows the Person Rebalancing Demonstration	26,757		1,979
93.791	COVID-19 - Money Follows the Person Rebalancing Demonstration	114		
	Total Money Follows the Person Rebalancing Demonstration		26,871	
93.870	Maternal, Infant & Early Childhood Home Visiting Grant Program	11,819		11,592
93.870	COVID-19 - Maternal, Infant & Early Childhood Home Visiting Grant Program	1,486		1,486
	Total Maternal, Infant & Early Childhood Home Visiting Grant Program		13,305	
93.876	Antimicrobial Resistance Surveillance in Retail Food Specimens		160	
93.889	National Bioterrorism Hospital Preparedness Program	8,286		6,696
93.889	COVID-19 - National Bioterrorism Hospital Preparedness Program	2		5
	Total National Bioterrorism Hospital Preparedness Program		8,288	
93.898	Cancer Prevention & Control Programs for State, Territorial & Tribal Organizations		5,120	2,792
93.917	HIV Care Formula Grants		47,742	334
93.940	HIV Prevention Activities - Health Department Based		5,598	1,248
93.944	Human Immunodeficiency Virus (HIV)/AIDS Surveillance		451	
93.946	Cooperative Agreements to Support Safe Motherhood and Infant Health Initiative Program		445	

COMMONWEALTH OF PENNSYLVANIA

Schedule of Expenditures of Federal Awards - June 30, 2024

Assistance Listing #	Assistance Listing Program Name		Federal Expenditures (000's)	Passed Through to Subrecipients (000's)
93.958	Block Grants for Community Mental Health Services		26,502	24,524
93.958	COVID-19 - Block Grants for Community Mental Health Services		25,189	25,068
	Total Block Grants for Community Mental Health Services			51,691
93.959	Block Grants for Substance Use Prevention, Treatment, and Recovery Services		66,615	54,561
93.959	COVID-19 - Block Grants for Substance Use Prevention, Treatment, and Recovery Services		21,061	19,531
	Total Block Grants for Substance Use Prevention, Treatment, and Recovery Services			87,676
93.967	COVID-19 - CDC's Collaboration w/ Academia to Strengthen Public Health			31,363
93.977	Sexually Transmitted Diseases (STD) Prevention and Control Grants		2,410	25,217
93.977	COVID-19 - Sexually Transmitted Diseases (STD) Prevention and Control Grants		2,815	399
	Total Sexually Transmitted Diseases (STD) Prevention and Control Grants			5,225
93.981	Improving Student Hlth & Acad Achieve through Nutrition			211
93.988	Coop Agreements for State-Based Diabetes Control Programs			676
93.991	Preventive Health and Health Services Block Grant			7,352
93.994	Maternal and Child Health Services Block Grant to the States			23,744
93.998	Autism and Other Developmental Disabilities, Surveillance, Research, and Prevention			237
	Total - U.S. Department of Health and Human Services			\$28,742,296
				\$2,375,699
	Corporation for National and Community Service			
94.003	AmeriCorps State Commissions Support Grant			660
94.006	AmeriCorps State and National		13,295	13,295
94.006	COVID-19 - AmeriCorps State and National		1,311	1,311
	Total AmeriCorps			14,606
94.009	Training and Technical Assistance			159
	Total - Corporation for National and Community Service			\$15,425
				\$14,607
	Executive Office of the President			
95.001	High Intensity Drug Trafficking Areas Program			4,713
	Total - Executive Office of the President			\$4,713
				\$0
	Social Security Administration			
	<i>Disability Insurance/SSI Cluster:</i>			
96.001	Social Security - Disability Insurance			141,907
	Total - Social Security Administration			\$141,907
				\$0
	U.S. Department of Homeland Security			
97.008	Non-Profit Security Program			1,803
97.012	Boating Safety Financial Assistance			3,004

COMMONWEALTH OF PENNSYLVANIA

Schedule of Expenditures of Federal Awards - June 30, 2024

Assistance Listing #	Assistance Listing Program Name	Federal Expenditures (000's)	Passed Through to Subrecipients (000's)
97.023	Community Assistance Program State Support Services Element (CAP-SSSE)	334	
97.029	Flood Mitigation Assistance	2,097	1,949
97.036	Disaster Grants - Public Assist (Presidentially Declared Disasters)	32,982	27,696
97.036	COVID-19 - Disaster Grants - Public Assist (Presidentially Declared Disasters)	253,296	228,092
	Total Disaster Grants - Public Assist (Presidentially Declared Disasters)	286,278	
97.039	Hazard Mitigation Grant	26,711	25,471
97.041	National Dam Safety Program	160	
97.042	Emergency Management Performance Grants	13,535	7,274
97.042	COVID-19 - Emergency Management Performance Grants	752	
	Total Emergency Management Performance Grants	14,287	
97.043	State Fire Training Systems Grants	19	
97.044	Assistance to Firefighters Grant	333	
97.045	Cooperating Technical Partners	102	
97.047	BRIC: Building Resilient Infrastructure and Communities	1,134	874
97.050	COVID-19 - Presidential Declared Disaster Assistance to Individuals and Households - Other Needs	322	
97.056	Port Security Grant Program	164	
97.067	Homeland Security Grant Program	25,518	20,979
97.088	Disaster Assistance Projects	933	
97.091	Homeland Security Biowatch Program	516	
97.132	Financial Assistance for Targeted Violence and Terrorism Prevention	204	204
97.137	State & Local Cybersecurity Grant Program	2,756	
	Total - U.S. Department of Homeland Security	\$366,675	\$314,330
	<i>Research and Development Cluster:</i>		
	U.S. Department of Education		
84.305	Education Research, Development and Dissemination (Award ID R305S210026)	178	3
	<i>Total Research and Development Cluster</i>	\$178	\$3
	GRAND TOTAL	\$44,891,592	\$8,335,552

COMMONWEALTH OF PENNSYLVANIA

Notes to the Schedule of Expenditures of Federal Awards - June 30, 2024

Note A: Single Audit Reporting Entity

The Commonwealth of Pennsylvania (the Commonwealth) includes expenditures in its schedule of expenditures of federal awards (SEFA) for all federal programs administered by the same funds, agencies, boards, commissions, and component units included in the Commonwealth's financial reporting entity used for its basic financial statements. However, the State System of Higher Education (SSHE), the Pennsylvania Higher Education Assistance Agency (PHEAA), the Pennsylvania Housing Finance Agency (PHFA), the Pennsylvania Convention Center Authority (PCCA), the Philadelphia Shipyard Development Corporation (PSDC), which are discretely presented component units, the Philadelphia Regional Port Authority (PRPA) and the Commonwealth Financing Authority (CFA), which are blended component units, elect to have their own single audits (when required) and their expenditures of federal awards are therefore excluded from the Commonwealth's SEFA. These seven component units are required to submit their own single audit reports to the Federal Audit Clearinghouse. The PCCA and the PSDC are not required to submit a single audit for the year ended June 30, 2024, because their federal expenditures were below the requirement threshold. In addition, the Judicial Department of Pennsylvania, which is included in the Primary Government, elected to have its own single audit performed. Their federal expenditures are also excluded from the Commonwealth's SEFA.

Note B: Basis of Accounting

All expenditures for each program included in the schedule of expenditures of federal awards are net of applicable program income and refunds.

Expenditures reported under Assistance Listing Number (ALN) 10.551, Supplemental Nutrition Assistance Program (SNAP), and ALN 10.542, Pandemic EBT Food Benefits, represent amounts the Electronic Benefits Transfer (EBT) contractor paid to retail outlets for participants' purchases under the programs during the fiscal year ended June 30, 2024.

Expenditures reported under ALN 10.555, National School Lunch Program, ALN 10.558, Child and Adult Care Food Program, ALN 10.559, Summer Food Service Program for Children, ALN 10.565, Commodity Supplemental Food Program, and ALN 10.569, Emergency Food Assistance Program, include the value of food commodity distributions calculated using the U.S. Department of Agriculture, Food and Nutrition Service, commodity price lists in effect as of July 1, 2023 and January 1, 2024.

A portion of subrecipient expenditures reported under ALN 14.228, Community Development Block Grants, and all subrecipient expenditures reported under ALN 14.239, Home Investment Partnerships Program, represent funds drawn directly from the Housing and Urban Development (HUD) Integrated Disbursement and Information System (IDIS) by subrecipients of the Commonwealth.

Expenditures for ALN 20.200, Highway Research and Development Program, ALN 20.205, Highway Planning and Construction, ALN 20.215, Highway Training and Education, ALN 20.218, Motor Carrier Safety Assistance, ALN 20.219, Recreational Trails Program, ALN 20.224, Federal Lands Access Program, ALN 20.505, Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research, and ALN 20.933, National Infrastructure Investments, ALN 20.934, Nationally Significant Freight and Highway Projects, ALN 20.938, Rural Surface Transportation Grant Program, ALN 23.003, Appalachian Development Highway System are presented on the basis that expenditures are reported to the U.S. Department of Transportation. Accordingly, certain expenditures are recorded when paid and certain other expenditures are recorded when the federal obligation is determined.

Amounts reported as expenditures for ALN 39.003, Donation of Federal Surplus Personal Property, represent the General Services Administration's average fair market value percentage of 23.34 percent of the federal government's original acquisition cost (OAC) of the federal property transferred to recipients by the Commonwealth.

Expenditures identified on the SEFA as Vaccines under ALN 93.268, Immunization Cooperative Agreements, represent the dollar value of the items used.

Expenditures reported by the Pennsylvania Department of Transportation (PennDOT) for ALN 97.036, Disaster Grants-Public Assistance (Presidentially Declared Disasters), are recorded when the estimated federal obligation is determined and reimbursed.

COMMONWEALTH OF PENNSYLVANIA

Notes to the Schedule of Expenditures of Federal Awards - June 30, 2024

The remaining expenditures included in the schedule of expenditures of federal awards are presented on the cash plus invoices payable basis. Invoices payable represent Commonwealth expenditures recorded on the general ledger for which the Commonwealth Treasury Department has not made cash disbursements.

The Commonwealth has not elected to use the de minimis cost rate referenced in Uniform Guidance § 200.414 Indirect (F&A) costs.

Note C: Categorization of Expenditures

The schedule of expenditures of federal awards reflects federal expenditures for all individual grants that were active during the fiscal year ended June 30, 2024. The categorization of expenditures by program included in the SEFA is based on the Assistance Listing. Changes in the categorization of expenditures occur based on revisions to the ALN, which are issued on a real-time basis on the Assistance Listing website.

Note D: Unemployment Insurance

In accordance with Department of Labor, Office of Inspector General instructions, the Commonwealth recorded State Regular Unemployment Compensation (UC) benefits under ALN 17.225 in the schedule of expenditures of federal awards. The individual state and federal portions are as follows (amounts in thousands):

State Regular UC Benefits	\$1,894,626
Federal UC Benefits	13,875
Federal Admin.	<u>159,764</u>
Total Expenditures	<u><u>\$2,068,265</u></u>

THIS PAGE INTENTIONALLY LEFT BLANK

Schedule of Findings and Questioned Costs



Commonwealth of Pennsylvania

COMMONWEALTH OF PENNSYLVANIA

Summary of Auditors' Results - June 30, 2024

Financial Statements

Type of report the auditors issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified? X yes no

Significant deficiency(ies) identified? X yes none reported

Noncompliance material to financial statements noted?

 yes X no

Federal Awards

Internal control over major federal programs:

Material weakness(es) identified? X yes no

Significant deficiency(ies) identified? X yes none reported

Type of auditors' report issued on compliance for major federal programs:

Qualified for noncompliance in the following major federal programs:

Supplemental Nutrition Assistance Program (SNAP) Cluster (ALN 10.551 and 10.561)
Food Distribution Cluster (ALN 10.565, 10.568, and 10.569)
Education Stabilization Fund (ALN 84.425 C, D, R, U, V, W)
Aging Cluster (ALN 93.044, 93.045, and 93.053)
Temporary Assistance for Needy Families (ALN 93.558)
Social Services Block Grant (ALN 93.667)

Unmodified for the following major federal programs:

Child Nutrition Cluster (ALN 10.553, 10.555, 10.556, 10.559, and 10.582)
WIC Special Supplemental Nutrition Program for Women, Infants, and Children (ALN 10.557)
Child and Adult Care Food Program (ALN 10.558)
National Guard Military Operations and Maintenance (O&M) Projects (ALN 12.401)
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii (ALN 14.228)
Abandoned Mine Land Reclamation (ALN 15.252)
Workforce Innovation Opportunity Act (WIOA) Cluster (ALN 17.258, 17.259, and 17.278)
Unemployment Insurance (ALN 17.225)
Highway Planning and Construction (ALN 20.205)
Coronavirus State and Local Fiscal Recovery Funds (ALN 21.027)
Drinking Water State Revolving Fund (ALN 66.468)

COMMONWEALTH OF PENNSYLVANIA

Summary of Auditors' Results - June 30, 2024

Unmodified for the following major federal programs (continued):

- Title I Grants to Local Educational Agencies (ALN 84.010)
- Special Education Cluster (IDEA) (ALN 84.027 and 84.173)
- Supporting Effective Instruction State Grants (ALN 84.367)
- Immunization Cooperative Agreements (ALN 93.268)
- Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) (ALN 93.323)
- Low-Income Home Energy Assistance Program (ALN 93.568)
- Children's Health Insurance Program (ALN 93.767)
- Medicaid Cluster (ALN 93.775, 93.777, and 93.778)
- Opioid STR (ALN 93.788)
- Block Grants for Substance Use Prevention, Treatment and Recovery Services (ALN 93.959)

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? X yes no

Identification of Major Federal Programs:

Assistance Listing Number(s)	Name of Federal Program or Cluster	Federal Expenditures (000s)
10.551 and 10.561	Supplemental Nutrition Assistance Program (SNAP) Cluster (C)	4,526,980
10.553, 10.555, 10.556, 10.559, and 10.582	Child Nutrition Cluster (C)	863,843
10.565, 10.568, and 10.569	Food Distribution Cluster	123,839
10.557	WIC Special Supplemental Nutrition Program for Women, Infants, and Children (C)	207,199
10.558	Child and Adult Care Food Program (C)	128,220
12.401	National Guard Military Operations and Maintenance (O&M) Projects	83,901
14.228	Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii (C)	68,151
15.252	Abandoned Mine Land Reclamation	62,618
17.258, 17.259, and 17.278	Workforce Innovation Opportunity Act (WIOA) Cluster	143,366
17.225	Unemployment Insurance (C)	2,068,265
20.205	Highway Planning and Construction	2,346,157
21.027	Coronavirus State and Local Fiscal Recovery Funds (C)	257,078
66.468	Drinking Water State Revolving Fund	77,906
84.010	Title I Grants to Local Educational Agencies	681,791
84.027 and 84.173	Special Education Cluster (IDEA) (C)	528,613
84.367	Supporting Effective Instruction State Grants	74,168
84.425 C, D, F, R, U, V, W	Education Stabilization Fund (C)	1,979,714
93.044, 93.045, and 93.053	Aging Cluster (C)	75,264
93.268	Immunization Cooperative Agreements (C)	169,895
93.323	Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) (C)	137,203
93.558	Temporary Assistance for Needy Families	380,987
93.568	Low-Income Home Energy Assistance Program	250,050
93.667	Social Services Block Grant	91,741

COMMONWEALTH OF PENNSYLVANIA

Summary of Auditors' Results - June 30, 2024

Identification of Major Federal Programs (continued):

<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>	<u>Federal Expenditures (000s)</u>
93.767	Children's Health Insurance Program (C)	494,532
93.775, 93.777, and 93.778	Medicaid Cluster (C)	25,176,161
93.788	Opioid STR	98,942
93.959	Block Grants for Substance Use Prevention, Treatment and Recovery Services (C)	87,676
Total Federal Expenditures – Major Programs		41,184,260

(C) = COVID-19 Funds included

Dollar threshold used to distinguish between
Type A and Type B programs (000s): \$67,337

Auditee qualified as low-risk auditee? yes X no

COMMONWEALTH OF PENNSYLVANIA

Index to Basic Financial Statement Findings - June 30, 2024

Finding No.	Finding Title	Impacted State Agency	Finding Page	CAP Page
2024-001*	Information Technology General Controls Need Improvement (Similar Conditions Were Noted in Prior Year Findings 2023-001)	OA-OIT PLCB	48	110
2024-002**	Enterprise-wide Risks Were Not Fully Considered During Implementation of a New Claims Management System Which Resulted in the Inability to Produce Timely Financial Reporting	L&I-SWIF OA-OIT OB	53	111

- * - Significant Deficiency
- ** - Material Weakness
- CAP - Corrective Action Plan

COMMONWEALTH OF PENNSYLVANIA

Basic Financial Statement Findings - June 30, 2024

Finding 2024 – 001:

Office of Administration – Office for Information Technology Pennsylvania Liquor Control Board

Information Technology General Controls Need Improvement (Similar Conditions Were Noted in Prior Year Finding 2023-001)

Type of Finding: Significant Deficiency in Internal Control

Condition: Our review of information technology (IT) general controls in the Office of Administration, Office for Information Technology (OA-OIT) for the fiscal year ended June 30, 2024, disclosed the following control deficiencies:

1. There was a lack of segregation of duties between application development and promotion of code to production in a Pennsylvania Insurance Department (PID) mid-range computing environment supported by the Employment, Banking and Revenue (EBR) Delivery Center.
2. Six out of 25 terminated users tested were not removed within two weeks after separation from a Pennsylvania Department of Transportation (PennDOT) construction management system supported by the Infrastructure and Economic Development (I&ED) Delivery Center.
3. Inappropriate privileged access was granted to over a hundred users on servers supporting three PennDOT applications managed by the I&ED Delivery Center.
4. Data was not properly migrated from a legacy Pennsylvania Lottery system supported by the EBR Delivery Center to a new system during implementation in March 2024.

Our review of information technology (IT) general controls in the Pennsylvania Liquor Control Board (PLCB) for the fiscal year ended June 30, 2024, disclosed the following control deficiency:

1. In July 2023, elevated access was granted to four IT users in a system module used to update retail pricing. There was no documented logging or monitoring of the use of this elevated access.

Detailed schedules of issues have been provided to the OA-OIT and PLCB for corrective action.

Criteria: Management Directive 325.12, Amended – *Standards for Enterprise Risk Management in Commonwealth Agencies*, adopted the internal control framework outlined in the United States Government Accountability Office's *Standards for Internal Control in the Federal Government (Green Book)*.

- Green Book Principle 11 – Design Activities for the Information System, states in part:
 - *11.09 Management designs control activities over the information technology infrastructure to support the completeness, accuracy, and validity of information processing by information technology. ... Management evaluates the objectives of the entity and related risks in designing control activities for the information technology infrastructure.*
 - *11.11 Management designs control activities for security management of the entity's information system for appropriate access by internal and external sources to protect the entity's information system.*
 - *11.12 Management designs control activities over access to protect an entity from inappropriate access and unauthorized use of the system. These control activities support appropriate segregation of duties. By preventing unauthorized use of and changes to the system, data and program integrity are protected from malicious intent (e.g., someone breaking into the technology to commit fraud, vandalism, or terrorism) or error.*

COMMONWEALTH OF PENNSYLVANIA

Basic Financial Statement Findings - June 30, 2024

Finding 2024 – 001: (continued)

- *11.14 Management designs control activities to limit user access to information technology through authorization control activities, such as providing a unique user identification or token to authorized users. These control activities may restrict authorized users to the applications or functions commensurate with their assigned responsibilities, supporting an appropriate segregation of duties. Management designs other control activities to promptly update access rights when employees change job functions or leave the entity.*
- *11.15 Management designs control activities over the acquisition, development, and maintenance of information technology. Management may use a systems development life cycle (SDLC) framework in designing control activities. An SDLC provides a structure for a new information technology design by outlining specific phases and documenting requirements, approvals, and checkpoints within control activities over the acquisition, development, and maintenance of technology.*
- *11.16 Management may acquire information technology through packaged software from vendors. Management incorporates methodologies for the acquisition of vendor packages into its information technology development and designs control activities over their selection, ongoing development, and maintenance. Control activities for the development, maintenance, and change of application software prevent unauthorized programs or modifications to existing programs.*

Information Technology Policy – OPD SEC007a – *Configurations for IDs, Passwords, and Multi-Factor Authentication*, revised July 12, 2022, section 3.7 states, in part,

- *Least privileged. By default, all accounts should be assigned the lowest level of permissions. If elevated permissions are required a change request should be submitted and approved before elevated permissions are granted to any account.*

Information Technology Policy – ITP SEC038 - *Commonwealth Data Center Privileged User Identification and Access Management Policy*, effective September 6, 2017, section 5 states, in part,

- *Semi-annual scans of the infrastructure and applications shall be done to discover any unreported accounts with elevated or excessive privileges. The agency may choose to do this manually or through an approved tool of their choice.*
- *Account usage shall be monitored and audited....*
- *...privileged accounts and access rights will be reviewed every six months and adjusted as needed.*

Information Technology Policy – ITP-SFT000 – *Software Development Life Cycle (SDLC) Policy*, effective February 17, 2017, section 5 states, in part,

- *Agencies shall incorporate separation of duties to maintain continuity and integrity throughout the execution of the procedures and processes associated with the SDLC framework and affiliated software development projects. Careful consideration should be given to:*
 - *Establishing access controls granting permissions to Commonwealth employees and/or outside contractors performing multiple roles within the various environments (i.e., development, production, system integration, testing, staging, etc.) to add, modify, delete, and migrate application code, data sets, and/or make configuration changes to systems in these environments.*

OA-OIT issued the following Information Technology Policy (ITP) and Operational Document (OPD) to provide governance and guidance to agencies during implementation of new systems.

- ITP-INF000 – *Enterprise Data and Information Management Policy*, provides direction for effectively managing data and information life cycles including establishing data migration controls for data sets to be accessed from their original sources and efficiently moved from source to target destinations in an effective and secure manner.

COMMONWEALTH OF PENNSYLVANIA

Basic Financial Statement Findings - June 30, 2024

Finding 2024 – 001: (continued)

- OPD-INF000A – *Migration Audit Checklist Template*, which agencies must use to facilitate data migration as delineated in *ITP-INF000*.

PLCB's *User Identity and Access Management Policy*, OITS-004, revised February 29, 2023 and approved February 29, 2024, addresses how access to PLCB information and information systems is controlled and states in part,

- *Section III, Definitions – Least privilege – The principle of least privilege is a security concept in which a user is given the minimum levels of access or permissions needed to perform their job.*
- *Section IV, Policy, A. User Identifier Management – System owners shall ensure that user IDs are implemented and maintained to support access control, least privilege, and system integrity. Section IV, Policy, D., Access Enforcement, 6. Least Privilege – Each PLCB user, program or process shall be granted only the access specifically needed to perform assigned duties.*

A well-designed system of internal controls dictates that effective IT general controls, which include adequate segregation of duties, access controls to programs and data, and system development life cycle controls be established and functioning to ensure that overall agency operations are conducted in accordance with management's intent.

Cause: The segregation of duties weakness in the PID mid-range computing environment had not been addressed by the EBR Delivery Center by the end of the period because the system in question had been scheduled for replacement.

In the PennDOT construction management system, the IE&D Delivery Center manually removed separated employees' access after notification by supervisors or by the Office of Administration, Office for Human Resources (OA-HR). In most cases, supervisors did not provide timely notification to system administrators that system access was no longer needed. In one case, notification was timely, but IE&D system administrators failed to remove the access within an appropriate time frame because the assigned back-up system administrator was not aware of procedures and responsibilities. An automated process to remove users from the system has been planned but has not been implemented.

For the inappropriate privileged access that was granted to the PennDOT applications, the I&ED Delivery Center indicated that an enterprise administrator group was erroneously added to Active Directory domains that were only supposed to be managed by specific agency personnel. The I&ED Delivery Center noted that the enterprise administrator group was added via group policy within the last year, but they could not determine when it exactly occurred or who was responsible because they have not implemented the Commonwealth's privileged user management system. Further, there has been no evidence that I&ED Delivery Center administrator had performed the required semi-annual review of privileged users, which should have detected the inappropriate access.

During implementation of Lottery's vendor owned system, the EBR Delivery Center and vendor personnel disregarded required system development life cycle and data migration controls to meet a 24 month go-live deadline. The accelerated implementation failed to include data migration planning, execution, and validation controls required by OA-OIT's ITP-INF000 policy and did not include the required *Migration Audit Checklist Template*. Few auditable system implementation artifacts were maintained.

In July 2023, PLCB implemented a new Enterprise Resource Planning (ERP) cloud infrastructure that included a module to approve updates to retail clearance and promotional pricing. Upon go-live, PLCB identified a defect with automatic approval of retail pricing updates, so PLCB management granted elevated access to four IT users to allow them to perform this function. This access, however, gave the users additional abilities that were not appropriate. Further, PLCB found that the module allowed logging of user logins but did not have advanced logging capabilities that would allow PLCB to monitor the actions taken while using this privileged access. PLCB did not require the users to document their use of this enhanced access. Since the audit period ended, PLCB indicated that they initiated corrective actions by creating a role that provided more appropriate access.

COMMONWEALTH OF PENNSYLVANIA

Basic Financial Statement Findings - June 30, 2024

Finding 2024 – 001: (continued)

Effect: Lack of segregation of duties between development and production, untimely removal of terminated users, and inappropriate privileged access contribute to the risk that system actions can occur that are not in accordance with management's intent. The absence of system development life cycle and data migration controls in the system implementation of the Lottery system has resulted in on-going data conversion issues that have not yet been resolved.

In the absence of effective IT general controls, management cannot be assured those systems are functioning in accordance with management's intent. Further, without properly functioning controls over segregation of duties, terminated users, privileged access, and system development life cycle, the auditors are precluded from reliance on computer controls in these agencies.

Recommendation: We recommend that OA-OIT management:

- Create controls and procedures that segregate the responsibility for development of programs from promotion of code to the production environment and implement procedures to independently monitor changes to the production environment in the PID midrange-computing system.
- Continue efforts to automate the process for removing separated users' access to the PennDOT construction management system. Prior to implementation of an automated process, management should:
 - Work with OA-HR to improve timely notification of user separations;
 - Revise policies and procedures to improve timely notifications by agency supervisors; and
 - Revise policies and procedures to ensure systems administrators and designated back-ups are aware of their responsibilities to remove separated users' access in a timely manner.
- Fully implement the Commonwealth privileged user management system for servers managed by the IE&D Delivery Center, as well as develop procedures to monitor the logs produced and perform periodic monitoring of the logs while retaining evidence of monitoring for audit purposes.
- Review privileged access every six months as required by policy for servers supporting PennDOT applications to ensure that privileged users are only granted access specifically needed to perform assigned duties.
- Continue efforts to correct the data migration issues in the Lottery System.
- Ensure that system development life cycle and data migration controls detailed in OA-OIT's ITP-INF000 – *Enterprise Data and Information Management Policy* and OPD-INF000A – *Migration Audit Checklist Template* are implemented in future system upgrades.

We recommend that PLCB management:

- Ensure PLCB system administrators comply with PLCB's *User Identity and Access Management Policy*, OITS-004 to ensure users are granted only the access specifically needed to perform assigned duties.
- Continue to work with the vendor to resolve the system defect to allow automatic approval of monthly retail inventory pricing updates, which would allow system administrators to assign the lowest level of permissions as required by the policy. Prior to creation of that role, management should:
 - Consider creating a process to grant temporary access to administrator roles in situations where the minimum levels of access or permissions to perform duties cannot be granted; and
 - Explore logging and monitoring controls to help track use of elevated privileges in the new infrastructure.

COMMONWEALTH OF PENNSYLVANIA

Basic Financial Statement Findings - June 30, 2024

Finding 2024 – 001: (continued)

OA-OIT Response: *[Condition/Cause No. 1]* OA-OIT understands the importance of segregation of duties and will be evaluating the controls in place to ensure the replacement system supports appropriate segregation of duties. *[Condition/Cause No. 2]* OA-OIT will meet with HR before the next audit cycle to evaluate the existing process, identify gaps and work towards an effective process that support timely removal of access. *[Condition/Cause No. 3]* OA-OIT is implementing a new security toolset with defined processes that will aid in appropriate access management and associated lifecycle management of accounts. *[Condition/Cause No. 4]* OA-OIT implemented a rapid response team that worked with the vendor to document, publish and train all project staff on a defined software development life cycle process. The Commonwealth is also collaborating with the vendor to include improvements to data conversion bugs and overall data hygiene in future maintenance releases. In addition, as part of the IT Policy Simplification Project, the Data Management Policy (formerly named ITP-INF000) will be reviewed and updated appropriately.

PLCB Response: PLCB understands the importance of least privileged access and will continue to work with the vendor to resolve the system defect to allow automatic approval of monthly retail pricing updates. PLCB will also consider an effective and controlled process to grant temporary access to administrator roles in situations where the minimum levels of access or permissions to perform duties cannot be granted.

Auditors' Conclusion: The agency responses from OA-OIT and PLCB acknowledged the finding. No new information was provided which would mitigate the finding. The finding remains as stated. We will evaluate any corrective action in the subsequent audit.

COMMONWEALTH OF PENNSYLVANIA

Basic Financial Statement Findings - June 30, 2024

Finding 2024 – 002:

**Department of Labor and Industry – State Workers’ Insurance Fund
Office of Administration – Office for Information Technology
Office of the Budget**

Enterprise-wide Risks Were Not Fully Considered During Implementation of a New Claims Management System Which Resulted in the Inability to Produce Timely Financial Reporting

Type of Finding: Material Weakness in Internal Control, Noncompliance

Condition: The enterprise-wide risks associated with the implementation of a new Claims Management System were not fully considered by the Commonwealth as part of the enterprise risk management process. Our review of Management Directive 325.12 – *Standards for Enterprise Risk Management* (ERM) revealed that the policy does not require identification of enterprise-wide risks arising from agency-level system implementations and does not designate responsibility for monitoring and reporting system implementation impediments in the risk assessment process.

The State Workers’ Insurance Fund (SWIF) management in the Department of Labor and Industry decided to “go live” with a new vendor-developed claims system in May 2023 without designing all the requirements for user acceptance testing to ensure that the new system would be able to produce monthly financial statements. The new system was unable to produce required statements for a 14-month period from May 2023 to July 2024. Timely recognition of financial information is key to an effective system of internal control because it promotes operational efficiency, timely identification and correction of errors, and allows management to ensure compliance with policies, procedures, laws and regulations. The delay with processing and closing monthly financial activity impacted several areas of SWIF’s operations as noted in the effect section below, including noncompliance with state fiscal and insurance laws, and impacted the timely completion of the Commonwealth’s Annual Comprehensive Financial Report (ACFR).

Criteria: Management Directive 325.12 – *Standards for Enterprise Risk Management in Commonwealth Agencies*, Amended October 1, 2021, establishes policy, responsibilities, and procedures for implementing an Enterprise Risk Management (ERM) Framework within Commonwealth agencies. Section 4b states:

- *Commonwealth Chief Risk Officer (CRO). The enterprise level executive responsible for leading the enterprise ERM approach and activities.*

Section 5d states:

- *Agencies are required to conduct a comprehensive Risk Assessment of operations annually. Agency Risk Assessments must, at a minimum:*
 - (1) Identify and analyze Risks across the organization.*
 - (2) Determine how to respond to identified Risks.*
 - (3) Identify and assess the effectiveness of Internal Controls in place to mitigate identified Risks.*
 - (4) Develop and implement a monitoring plan for identified Risks.*

Management Directive 325.12 also adopted the internal control framework outlined in the United States Government Accountability Office’s *Standards for Internal Control in the Federal Government (Green Book)*.

- Green Book Principle 7 – Identify, Analyze, and Respond to Risks, states in part:
 - *7.02 Management identifies risks throughout the entity to provide a basis for analyzing risks. Risk assessment is the identification and analysis of risks related to achieving the defined objectives to form a basis for designing risk responses.*

COMMONWEALTH OF PENNSYLVANIA

Basic Financial Statement Findings - June 30, 2024

Finding 2024 – 002: (continued)

- *7.04 Management considers all significant interactions within the entity and with external parties, changes within the entity's internal and external environment, and other internal and external factors to identify risks throughout the entity. Internal risk factors may include... the use of new technology in its operational processes....*
- Green Book Principle 11 – Design Activities for the Information System, states in part:
 - *11.09 Management designs control activities over the information technology infrastructure to support the completeness, accuracy, and validity of information processing by information technology. ... Management evaluates the objectives of the entity and related risks in designing control activities for the information technology infrastructure.*
 - *11.15 Management designs control activities over the acquisition, development, and maintenance of information technology. Management may use a systems development life cycle (SDLC) framework in designing control activities. An SDLC provides a structure for a new information technology design by outlining specific phases and documenting requirements, approvals, and checkpoints within control activities over the acquisition, development, and maintenance of technology.*
- Green Book Principle 14 – Communicate Internally, states in part:
 - *14.05 The oversight body receives quality information that flows up the reporting lines from management and personnel. Information relating to internal control communicated to the oversight body includes significant matters about adherence to, changes in, or issues arising from the internal control system. This upward communication is necessary for the effective oversight of internal control.*

Governor's Office Executive Order 2016-06 *Enterprise Information Technology Governance*, amended October 27, 2020, establishes responsibility for all information technology (IT) services in the Commonwealth to the Office of Administration, Office for Information Technology (OA-OIT). Section 1 states:

- *Powers and Duties. The Governor's Office of Administration, Office for Information Technology... ("OA/OIT") led by the Commonwealth Chief Information Officer ("Commonwealth CIO"), has overall responsibility for the management and operation of IT services for all executive agencies under the Governor's jurisdiction, including, but not limited to: developing and recommending to the Secretary of Administration priorities and strategic plans; consolidating infrastructure and support services; directing IT investments, procurement advice, and policy; and working to ensure that agencies comply with direction from OA/OIT regarding the above. OA/OIT shall make recommendations to the Secretary of Administration regarding major changes to staffing and Enterprise IT operational matters, and otherwise has the authority to make Enterprise decisions regarding restructuring and operational matters related to consolidation, delivery of shared services, monitoring of project performance and other responsibilities within the scope of this Executive Order.*

The Office of Administration – Office for Information Technology (OA-OIT) Information Technology Policy ITP-SFT000 – *Software Development Life Cycle (SDLC) Policy*, Section 5 states in part:

- *Testing & Validation* – *processes and procedures associated with test planning, test design, test execution, validations, defect management, and approvals, based on SADM [Software Application Development Methodologies] and in relation to unit, systems integration, user acceptance, and security vulnerability testing requirements. These processes and procedures should also include integrated quality control and assurance mechanisms to ensure solution meets all business, systems, security, policy, product quality, and/or other relevant compliance/certification requirements.*
 - *Application quality is fundamental to delivering expected business outcomes and agreed upon service level. The quality of testing is the overall contributor to the quality of the application. The effectiveness of the testing effort can be maximized by selection of a testing strategy which includes thorough unit, integration, system, regression, performance, stress testing, good management of the testing process...*

COMMONWEALTH OF PENNSYLVANIA

Basic Financial Statement Findings - June 30, 2024

Finding 2024 – 002: (continued)

- *Implementation* - processes and procedures regarding production ready solution adoption, delivery, and deployment; including business and technical operational readiness assessments with integrated go-live decision and roll-back mechanisms....
- *Release Management* – The objective of release management is to ensure that standardized methods and procedures are used for defining executable solution deployment strategies and implementation playbooks to ensure efficient and successful delivery of all software releases with minimal impact [to] the integrity of existing services and/or business operations.

Further, OA-OIT ITP ITP-INF000 – Enterprise Data and Information Management Policy, requires that agencies should, in part:

- *Conduct and assess business and systems operational readiness assessments in order to make recommendations and determinations for final approval and sign-off.*

Pennsylvania Statutes Title 72. Taxation and Fiscal Affairs Chapter 1. The Fiscal Code Article XVII-A. Special Funds Subarticle D. Investments Section 1731-A State Workers’ Insurance Board, states in part:

- ...the power of the State Workers’ Insurance Board to invest money shall include the power to hold, purchase, sell, assign, transfer and dispose of securities, including common stock with the following restrictions:
 - (1) Investments in equities may not exceed the lesser of:
 - (i) 15% of the State Workers’ Insurance Fund’s assets; or
 - (ii) The State Workers’ Insurance Fund’s statutory surplus after discount, except that, notwithstanding the statutory surplus, the State Workers’ Insurance Fund is authorized to invest up to 7 ½ % of the book value of its assets in equities.
 - (1.1) Investments in equities shall be made subject to the prudent investor rule as provided for under 20 Pa.C.S. § 7203 (relating to prudent investor rule).
 - (2) The State Workers’ Insurance Board shall establish a policy for investments and shall meet at least annually to develop a schedule for rebalancing its investments in securities to meet the restriction of paragraph (1).

Insurance Company Law of 1921 – Omnibus Amendments Act of Mar. 22, 2010, P.L. 147, No. 14 Session of 2010 No. 2010-14, states in part:

The General Assembly of the Commonwealth of Pennsylvania hereby enacts as follows:

- Section 1. Section 320 of the act of May 17, 1921 (P.L. 682, No. 284), known as The Insurance Company Law of 1921, amended December 18, 1992 (P.L.1519, No.178) and February 17, 1994 (P.L.92, No.9), is amended to read:

Section 320. Annual and Other Reports; Penalties.—(a) (1) Every stock and mutual insurance company, association, and exchange, doing business in this Commonwealth, shall annually, on or before the first day of March, file in the office of the Insurance Commissioner and with the National Association of Insurance Commissioners a statement which shall exhibit its financial condition on the thirty-first day of December of the previous year...

Cause: Personnel from the Employment Banking and Revenue (EBR) Delivery Center in the Office of Administration, Office for Information Technology (OA-OIT) provided evidence that SWIF management had signed off that all user acceptance testing was performed prior to “go-live.” EBR Delivery Center personnel were aware, however, that SWIF management had deferred development of business requirements for required financial reports until the next phase of the project.

COMMONWEALTH OF PENNSYLVANIA

Basic Financial Statement Findings - June 30, 2024

Finding 2024 – 002: (continued)

Under Executive Order 2016-06, OA-OIT is responsible for management and operation of IT services for all executive agencies under the Governor’s jurisdiction. In practice, however, application owners in agency management contract with outside vendors to assist with system implementation and agency management has the final decision-making power for new system “go live” decisions. Although users had not completed all requirements for financial reports by the May 2023 system implementation date, SWIF proceeded with the “go live” decision. SWIF management failed to fully assess the operational risk created by the new system’s inability to generate timely, reliable financial reporting.

As noted in the condition, Management Directive 325.12 – *Standards for Enterprise Risk Management* does not require identification of enterprise-wide risks arising from agency-level system implementations. Further, the position of Commonwealth Chief Risk Officer (CRO) identified in the Management Directive was vacant during the audit period. Finally, Management Directive 325.12 does not assign responsibility to monitor system implementation projects and report any related systemic risks to the CRO for consideration. Consequently, the Office of the Budget had little visibility on SWIF management’s inability to produce monthly financial statements arising from the implementation of the new system. As a result, the risks impacting external stakeholders were not adequately evaluated, including the possible impact on issuing a timely Annual Comprehensive Financial Report (ACFR).

Effect: The delay with processing and closing monthly financial activity impacted several areas of the SWIF’s operations:

- Untimely issuance of the *Annual Statement of the State Workers' Insurance Fund of Scranton in the State of Pennsylvania to the Insurance Department of the State of Pennsylvania for the Year Ended December 31, 2023* which was required to be issued by March 1, 2024 to the Pennsylvania Insurance Department. The report was issued at the end of October 2024.
- Untimely completion of SWIF’s financial year-end close. The year-end trial balance and draft financial statements were not available until October 2024 and November 2024, respectively.
- Untimely reconciliation of account balances for key financial statement areas, including investments, receivables, unearned premiums, premiums earned, net investment income, losses incurred claims, loss adjustment expenses, and other underwriting expenses.
- SWIF was unable to timely monitor compliance with its investment policy for statutory equity limitations. SWIF fell out of compliance with limitations during the audit period. SWIF is required to annually develop a plan to rebalance investments if necessary.
- The data provided to SWIF’s actuary for the reserve and loss liability calculation was untimely. This also allowed the independent actuary limited time to complete the review of this data and report.
- SWIF relied on the prior year loss adjustment expense (LAE) data when calculating the ratio of paid LAE to paid loss when calculating the current years reserve.
- Overall financial data was not available for oversight and operational decision making.

The untimely completion of SWIF’s financial year end close, untimely reconciliation of account balances, and untimely provision of data to SWIF’s actuary resulted in the delay of the Commonwealth’s statewide ACFR.

Recommendation: SWIF management should work with their system implementation vendor to ensure:

- Transactions are promptly recorded to maintain their relevance and value to management in controlling operations and making decisions. This applies to the entire process or life cycle of a transaction or event from its initiation and authorization through its final classification in summary records;
- Timely and accurate completion of the monthly closing process which would allow SWIF to maintain normal and timely operations, such as, monitoring investment policy and issuing the Annual Statement by the March 1 deadline;
- Current and future monthly financial reports are accurate and complete to support SWIF’s financial position; and
- Adequate financial reporting is fully developed and tested in future system upgrades prior to authorizing system “go-live”.

COMMONWEALTH OF PENNSYLVANIA

Basic Financial Statement Findings - June 30, 2024

Finding 2024 – 002: (continued)

Office of Administration and the Office of the Budget should work together to:

- Consider updating the Commonwealth IT governance structure and policies to improve system development processes, including identification of risks associated with “go live” decisions;
- Appoint a Commonwealth Chief Risk Officer to lead the effort to identify and respond to enterprise-wide risks to Commonwealth operations and financial reporting; and
- Update Management Directive 325.12 to:
 - provide for the identification of enterprise-wide risks, including agency-level system implementations, and
 - designate responsibility for monitoring and reporting system-implementation risks to the Commonwealth Chief Risk Officer.

SWIF and OA-OIT Response: SWIF acknowledges management proceeded with the "go-live" decision without designing all the requirements for user acceptance testing to ensure the new system would be able to produce monthly financial statements. SWIF agrees EBR Delivery Center personnel were aware SWIF management had deferred development of business requirements for required financial reports until the next phase of the project. SWIF management’s decision to go-live was based on the following considerations: the operational readiness of the system on the go-live date, the cost of further delay in going live, and the understanding that delaying development of business requirements for required financial reports until the next phase of the project would not have significant downstream implications.

OB Response: The Office of the Budget agrees with the finding. The Office of the Budget and the Office of Administration recognize that Enterprise Risk Management and IT Governance Risk and Compliance are complimentary initiatives. The two agencies have already started to collaborate on these areas to ensure coordination of efforts and consistency of policy. We believe that this coordination will ensure that the causes of this finding are properly mitigated.

Auditors’ Conclusion: The agency response from OB indicated agreement with the finding and the SWIF and OA-OIT response acknowledged the finding. No new information was provided which would mitigate the finding. The finding remains as stated. We will evaluate any corrective action in the subsequent audit.

COMMONWEALTH OF PENNSYLVANIA

Index to Federal Award Findings and Questioned Costs - June 30, 2024

Finding Number	ALN	Assistance Listing Program Name	Finding Title	Compliance Conclusion	Questioned Costs	Impacted State Agency	Finding Page	CAP Page
2024-003 **	93.044 93.045 93.053	Aging Cluster (including COVID-19)	A Material Weakness and Material Noncompliance Exist in the Department of Aging Related to Subrecipient Monitoring (A Similar Condition Was Noted in Prior Year Finding 2023-003)	MNC	ND	PDOA	63	112
2024-004 *	10.553 10.555 10.556 10.559 10.582 10.565 10.568 10.569	Child Nutrition Cluster (including COVID-19) Food Distribution Cluster	Controls Over the Accountability of Donated Foods Need Improvement (A Similar Condition Was Noted in Prior Year Finding 2023-004)	NC	None	PDA	65	114
2024-005 *	10.565 10.568 10.569	Food Distribution Cluster	A Significant Deficiency and Noncompliance Exist in Pennsylvania Department of Agriculture Monitoring of Food Distribution Cluster Subrecipients (A Similar Condition Was Noted in Prior Year Finding 2023-005)	NC	ND	PDA	68	115
2024-006 *	10.557	WIC Special Supplemental Nutrition Program for Women, Infants, and Children (including COVID-19)	A Significant Deficiency and Noncompliance Exist at the Department of Health Related to Activities Allowed or Unallowed, Allowable Costs/Costs Principles	NC	None	DOH	70	115

* - Significant Deficiency

** - Material Weakness

ND - The amount of questioned costs cannot be determined

MNC - Material Noncompliance

NC - Noncompliance

ALN - Assistance Listing Number

CAP - Corrective Action Plan

N/A - Not Applicable

COMMONWEALTH OF PENNSYLVANIA

Index to Federal Award Findings and Questioned Costs - June 30, 2024

Finding Number	ALN	Assistance Listing Program Name	Finding Title	Compliance Conclusion	Questioned Costs	Impacted State Agency	Finding Page	CAP Page
2024-007 **	10.551 10.561 93.558	Supplemental Nutrition Assistance Program (SNAP) Cluster (including COVID-19) Temporary Assistance for Needy Families	A Material Weakness and Material Noncompliance Exist at the Department of Human Services Related to Electronic Benefits Transfer Card Security (A Similar Condition Was Noted in Prior Year Finding 2023-012)	MNC	ND	DHS	72	116
2024-008 **	93.667	Social Services Block Grant	A Material Weakness and Material Noncompliance Exist in the Department of Human Services' Program Monitoring of the Social Services Block Grant Subrecipients (A Similar Condition Was Noted in Prior Year Finding 2023-015)	MNC	ND	DHS	75	117
2024-009 *	93.558	Temporary Assistance for Needy Families	Department of Human Services Did Not Validate Financial Information as Part of Its On-Site Monitoring and the Department of Labor and Industry Did Not Perform Monitoring of Temporary Assistance for Needy Families Subrecipients (A Similar Condition Was Noted in Prior Year Finding 2023-014)	NC	ND	DHS L&I	78	117
2024-010 *	17.225	Unemployment Insurance (including COVID-19)	A Significant Deficiency Exists at the Department of Labor and Industry Related to the Work Registration Requirement	NC	ND	L&I	81	118

* - Significant Deficiency
 ** - Material Weakness
 ND - The amount of questioned costs cannot be determined

MNC - Material Noncompliance
 NC - Noncompliance
 ALN - Assistance Listing Number
 CAP - Corrective Action Plan
 N/A - Not Applicable

COMMONWEALTH OF PENNSYLVANIA

Index to Federal Award Findings and Questioned Costs - June 30, 2024

Finding Number	ALN	Assistance Listing Program Name	Finding Title	Compliance Conclusion	Questioned Costs	Impacted State Agency	Finding Page	CAP Page
2024-011 *	17.225	Unemployment Insurance (including COVID-19)	A Significant Deficiency Exists at the Department of Labor and Industry Related to the Reemployment Services and Eligibility Assessments Program	N/A	None	L&I	84	119
2024-012 *	17.258 17.259 17.278	Workforce Innovation and Opportunity Act (WIOA) Cluster	A Significant Deficiency Exists at the Department of Labor and Industry Related to Inappropriate Privileged Access	N/A	None	L&I	86	119
2024-013 *	21.027	COVID 19 – Coronavirus State and Local Fiscal Recovery Funds	A Significant Deficiency and Noncompliance Exist at the Office of Budget Operations Related to the Quarterly Project and Expenditure Report (A Similar Condition Was Noted in Prior Year Finding 2023-020)	NC	None	OBO	89	120
2024-014 *	Various	Various ALNs – See Finding	State Agencies Did Not Identify the Federal Award Information and Applicable Requirements at the Time of the Subaward and Did Not Evaluate Each Subrecipient’s Risk of Noncompliance as Required by the Uniform Grant Guidance (A Similar Condition Was Noted in Prior Year Finding 2023-023)	NC	ND	Various	91	121

60

* - Significant Deficiency

** - Material Weakness

ND - The amount of questioned costs cannot be determined

MNC - Material Noncompliance

NC - Noncompliance

ALN - Assistance Listing Number

CAP - Corrective Action Plan

N/A - Not Applicable

COMMONWEALTH OF PENNSYLVANIA

Index to Federal Award Findings and Questioned Costs - June 30, 2024

Finding Number	ALN	Assistance Listing Program Name	Finding Title	Compliance Conclusion	Questioned Costs	Impacted State Agency	Finding Page	CAP Page
2024-015 ** *	Various	Various ALNs – See Finding	A Material Weakness and Material Noncompliance Exist in the Commonwealth's Subrecipient Audit Resolution Process (A Similar Condition Was Noted in Prior Year Finding 2023-024)	MNC NC	ND	Various	95	125

* - Significant Deficiency
 ** - Material Weakness
 ND - The amount of questioned costs cannot be determined

MNC - Material Noncompliance
 NC - Noncompliance
 ALN - Assistance Listing Number
 CAP - Corrective Action Plan
 N/A - Not Applicable

COMMONWEALTH OF PENNSYLVANIA

Matrix of Findings by Federal Agency - June 30, 2024

Federal Agency	USDA	DOI	DOL	TRE	ED	HHS
Prefix	10	15	17	21	84	93
Finding						
2024-003						X
2024-004	X					
2024-005	X					
2024-006	X					
2024-007	X					X
2024-008						X
2024-009						X
2024-010			X			
2024-011			X			
2024-012			X			
2024-013				X		
2024-014	X					X
2024-015	X	X		X	X	X

COMMONWEALTH OF PENNSYLVANIA

Federal Award Findings and Questioned Costs - June 30, 2024

Department of Aging

Finding 2024 – 003:

ALN 93.044, 93.045, and 93.053 – Aging Cluster (including COVID-19)

A Material Weakness and Material Noncompliance Exist in the Department of Aging Related to Subrecipient Monitoring (A Similar Condition Was Noted in Prior Year Finding 2023-003)

Federal Grant Number(s) and Year(s): 2101PACMC6 (4/01/2021 – 9/30/2024), 2101PAHDC6 (4/01/2021 – 9/30/2024), 2101PAPHC6 (4/01/2021 – 9/30/2024), 2101PASSC6 (4/01/2021 – 9/30/2024), 2201PAOASS (10/01/2021 – 9/30/2023), 2201PASTPH (1/01/2022 – 9/30/2024), 2301PAOACM (10/01/2022 – 9/30/2024), 2301PAOAH (10/01/2022 – 9/30/2024), 2301PAOANS (10/01/2022 – 9/30/2024), 2301PAOASS (10/01/2022 – 9/30/2024), 2401PAOACM (10/01/2023 – 9/30/2025), 2401PAOAH (10/01/2023 – 9/30/2025), 2401PAOANS (10/01/2023 – 9/30/2025), 2401PAOASS (10/01/2023 – 9/30/2025)

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

Compliance Requirement: Subrecipient Monitoring

Condition: Within the Aging Cluster, the Pennsylvania Department of Aging (PDOA) contracts with 52 Area Agency on Aging subrecipients to provide various services that include cares support, preventive health, and nutrition services, among others. Our audit testing disclosed that PDOA did not perform subrecipient monitoring on any of the subrecipients during the fiscal year ended June 30, 2024. The Aging Cluster subrecipients received \$71.6 million out of Aging Cluster Program expenditures totaling \$75.9 million reported on the Schedule of Expenditures of Federal Awards (SEFA).

Criteria: 45 CFR Section 1321.9 State agency policies and procedures, states in part:

(a) *The State agency on aging shall develop policies and procedures governing all aspects of programs operated as set forth in this part... The State agency is responsible for implementing, monitoring, and enforcing policies and procedures, where:*

(1) *The policies and procedures developed by the State agency shall address how the State agency will monitor the programmatic and fiscal performance of all programs and activities initiated under this part for compliance with all requirements, and for quality and effectiveness.*

45 CFR Section 75.352, Requirements for pass-through entities, states:

(d) *Monitor the activities of the subrecipient as necessary to ensure that the subaward is used for authorized purposes, in compliance with Federal statutes, regulations, and the terms and conditions of the subaward; and that subaward performance goals are achieved. Pass-through entity monitoring of the subrecipient must include:*

(1) *Reviewing financial and performance reports required by the pass-through entity.*

(2) *Following-up and ensuring that the subrecipient takes timely and appropriate action on all deficiencies pertaining to the Federal award provided to the subrecipient from the pass-through entity detected through audits, on-site reviews, and other means.*

(3) *Issuing a management decision for audit findings pertaining to the Federal award provided to the subrecipient from the pass-through entity...*

COMMONWEALTH OF PENNSYLVANIA

Federal Award Findings and Questioned Costs - June 30, 2024

Finding 2024 – 003: (continued)

(e) *Depending upon the pass-through entity's assessment of risk posed by the subrecipient (as described in paragraph (b) of this section), the following monitoring tools may be useful for the pass-through entity to ensure proper accountability and compliance with program requirements and achievement of performance goals:*

(1) Providing subrecipients with training and technical assistance on program-related matters; and

(2) Performing on-site reviews of the subrecipient's program operations;

(3) Arranging for agreed-upon-procedures engagements as described in §75.425 (Audit services).

Management Directive 325.12, Amended – *Standards for Enterprise Risk Management in Commonwealth Agencies*, adopted the internal control framework outlined in the United States Government Accountability Office's *Standards for Internal Control in the Federal Government (Green Book)*. The Green Book states in part:

Management should establish and operate monitoring activities to monitor the internal control system and evaluate the results. Management should remediate identified internal control deficiencies on a timely basis.

Cause: While PDOA has subrecipient monitoring procedures in place, PDOA officials indicated that these procedures were not performed for Aging Cluster subrecipients due to staffing shortages.

Effect: Without proper subrecipient monitoring, PDOA cannot ensure compliance with grant requirements and federal regulations, including allowable costs and other requirements.

Recommendation: PDOA should perform risk based during-the-award monitoring procedures for all Aging Cluster subrecipients to ensure timely compliance with all applicable federal regulations. On-site monitoring visits by state officials should be supported by documentation to show the monitoring performed, areas examined, conclusions reached, and that the monitoring was performed in compliance with applicable regulations.

Agency Response: PDOA agrees with the finding.

Questioned Costs: The amount of questioned costs cannot be determined.

The corrective action plan for this finding, if any, has not been reviewed by the auditors. See Corrective Action Plans located elsewhere in this Report.

COMMONWEALTH OF PENNSYLVANIA

Federal Award Findings and Questioned Costs - June 30, 2024

Department of Agriculture

Finding 2024 – 004:

**ALN 10.553, 10.555, 10.556, 10.559, and 10.582 – Child Nutrition Cluster (including COVID-19)
ALN 10.565, 10.568, and 10.569 – Food Distribution Cluster**

Controls Over the Accountability of Donated Foods Need Improvement (A Similar Condition Was Noted in Prior Year Finding 2023-004)

Federal Grant Number(s) and Year(s): 221PA365N8903 (10/01/22 – 9/30/2023), 221PA365N8903 (1/01/2022 – 9/30/2023), 231PA305N1099 (10/01/2022 – 9/30/2023), 231PA365N8903 (10/01/2022 – 9/30/2023), 231PA365N8903 (10/01/2022 – 9/30/2024), 241PA305N1099 (10/01/2023 – 9/30/2024), 231PA825Y8005 (10/01/2022 – 9/30/2023), 241PA825Y8005 (10/01/2023 – 9/30/2024), 228PA100I1003 (6/13/2022 – 6/30/2025), 231PA825Y8105 (10/01/22 – 9/30/2023), 231PA445Q2204 (10/01/2022 – 9/30/2023), 238PA000I1003 (5/25/2023 – 6/30/2025), 241PA825Y8105 (10/01/2023 – 9/30/2024)

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

Compliance Requirement: Special Tests and Provisions related to Accountability for USDA - Donated Foods (CNC) and Special Tests and Provisions related to Accountability for USDA Foods (FDC)

Condition: The Pennsylvania Department of Agriculture (PDA), Bureau of Food Assistance (BFA), is responsible for the accountability of USDA donated food under the National School Lunch Program (NSLP) and Summer Food Service Program for Children (SFSP) within the Child and Nutrition Cluster (CNC) and the Commodity Supplemental Food Program (CSFP) and the Emergency Food Assistance Program (Food Commodities) (TEFAP) within the Food Distribution Cluster (FDC). BFA utilizes a computer application as an inventory and distribution tracking system for donated food. The Agency Commodity Dollar Value Report, Agency Summary Reports, Commodity Inventory Report for Distributors, and Commodity Inventory Report for Processors are generated in the computer application to compile commodity expenditures reported on the Schedule of Expenditures of Federal Awards (SEFA). BFA performs reconciliations of the inventory, commodity receipts, and distributions in these reports to the distributor, processor, and recipient activity. BFA then provides commodity expenditures to the Pennsylvania Office of the Budget, Office of Comptroller Operations (OCO) for recording on the SEFA.

We tested various reports generated by the system that were used by BFA to perform reconciliations and compile commodity expenditures to report on the SEFA as of June 30, 2024. We noted the following:

Regarding the BFA year-end reconciliation provided in October 2024, our testing disclosed:

- Commodities used in the Local Food Service (LFS) program were incorrectly included in NSLP reports used for posting to the SEFA, resulting in an overstatement of NSLP SEFA commodity expenditures of \$26,697.

Based on inquiry of the above error, BFA management performed further review of the reconciliation and supporting reports that resulted in BFA providing a revised reconciliation to the auditors in December 2024. Our testing of the revised reconciliation disclosed the following:

- Commodities from the CSFP were uploaded to the system in late October, therefore excluded in the reports used for posting to the SEFA, resulting an understatement of CSFP commodity expenditures of \$1,499,980.
- Twenty-six transactions related to NSLP disbursements and credits of processors were made in November and excluded from reports used for posting to the SEFA, resulting in an overstatement of NSLP SEFA commodity expenditures of \$23,442.

COMMONWEALTH OF PENNSYLVANIA

Federal Award Findings and Questioned Costs - June 30, 2024

Finding 2024 – 004: (continued)

- One transaction resulting in a credit related to a Charitable Institution in NSLP was excluded from reports used for posting to the SEFA, resulting in an overstatement of NSLP SEFA commodity expenditures of \$14,192 and beginning inventory being overstated by 226 cases.
- Eight extra transactions were incorrectly included on the TEFAP reports used for posting to the SEFA, resulting in an overstatement of TEFAP SEFA commodity expenditures of \$69,894.

Regarding the Commodity Inventory Report for Processors, our testing disclosed:

- A system glitch caused one processor's beginning inventory to be set to zero, making inventory amounts for that processor off by 118,610 cases.

Criteria: The 2024 OMB Uniform Guidance Compliance Supplement, Part 4 – Agency Program Requirements for the CNC Cluster, Special Tests and Provisions – N.1 Accountability for USDA – Donated Foods, states:

a. Maintenance of Records:

Distributing and subdistributing agencies (as defined at 7 CFR section 250.2) must maintain accurate and complete records with respect to the receipt, distribution, and inventory of USDA-donated foods, including end products processed from donated food.

The 2024 OMB Uniform Guidance Compliance Supplement, Part 4 – Agency Program Requirements for the FDC Cluster, Special Tests and Provisions – N.1 Accountability for USDA Foods, states:

Accurate and complete records must be maintained with respect to the receipt, distribution/use, and inventory of USDA Foods, including end products processed from USDA Foods in TEFAP.

7 CFR Section 250.19, Recordkeeping requirements, states:

(a) Required records. Distributing agencies, recipient agencies, processors, and other entities must maintain records of agreements and contracts, reports, audits, and claim actions, funds obtained as an incident of donated food distribution, and other records specifically required in this part or in other Departmental regulations, as applicable.

7 CFR Section 247.29, Reports and recordkeeping, states:

(a) State and local agencies must maintain accurate and complete records relating to the receipt, disposal, and inventory of USDA Foods, the receipt and disbursement of administrative funds and other funds, eligibility determinations, fair hearings, and other program activities.

7 CFR Section 251.10, Reports and recordkeeping, states:

(a)(1) State agencies, subdistributing agencies, and eligible recipient agencies must maintain records to document the receipt, disposal, and inventory of USDA Foods received under this part that they, in turn, distribute to eligible recipient agencies.

Management Directive 325.12, Amended – *Standards for Enterprise Risk Management in Commonwealth Agencies*, adopted the internal control framework outlined in the United States Government Accountability Office's *Standards for Internal Control in the Federal Government (Green Book)*. The Green Book states in part:

Management should establish and operate monitoring activities to monitor the internal control system and evaluate the results. Management should remediate identified internal control deficiencies on a timely basis.

COMMONWEALTH OF PENNSYLVANIA

Federal Award Findings and Questioned Costs - June 30, 2024

Finding 2024 – 004: (continued)

Cause: During testing of the year-end inventory reconciliations provided in October, the auditors identified the inclusion of LFS commodities in the NSLP commodity report and brought the error to the attention of BFA personnel. BFA personnel agreed that the amounts should not have been included in the reports used for NSLP SEFA reporting. This error prompted BFA to perform further review of the commodity reports that resulted in BFA making additional corrections and updating the year-end inventory reconciliation, the revised reconciliation was provided to the auditors in December. Audit procedures performed on the updated year-end reconciliation identified differences between both reconciliations as noted above in the condition. BFA personnel did not notify the OCO of these changes to evaluate the impact and record the necessary adjustments to the SEFA.

Effect: Without direct intervention from the auditors, the reports for the CNC and FDC programs may not have been corrected. The discrepancies noted above related to inaccurate records could result in improper distribution of donated foods, misstatements in BFA’s inventory reconciliations, and did result in inaccurate commodity expenditures reported on the SEFA. A proposed audit adjustment of \$1,499,980 was posted to the SEFA.

Recommendation: PDA should maintain accurate and complete records with respect to the receipt, distribution, and inventory of USDA-donated foods, including end products processed from donated food. PDA should strengthen procedures for future periods to ensure errors are identified during the reconciliation process and are corrected timely in the system and communicated to the OCO for evaluation of impact on the SEFA.

Agency Response: PDA agrees with this finding.

Questioned Costs: None

The corrective action plan for this finding, if any, has not been reviewed by the auditors. See Corrective Action Plans located elsewhere in this Report.

COMMONWEALTH OF PENNSYLVANIA

Federal Award Findings and Questioned Costs - June 30, 2024

Department of Agriculture

Finding 2024 – 005:

ALN 10.565, 10.568, and 10.569 – Food Distribution Cluster

A Significant Deficiency and Noncompliance Exist in Pennsylvania Department of Agriculture Monitoring of Food Distribution Cluster Subrecipients (A Similar Condition Was Noted in Prior Year Finding 2023-005)

Federal Grant Number(s) and Year(s): 231PA825Y8005 (10/01/2022 – 9/30/2023), 231PA445Q2204 (10/01/2022 – 9/30/2023), 231PA825Y8105 (10/01/2022 – 9/30/2023), 241PA825Y8005 (10/01/2023 – 9/30/2024), 241PA825Y8105 (10/01/2023 – 9/30/2024), 228PA100I1003 (6/13/2022 – 6/30/2025), 238PA000I1003 (5/25/2023 – 6/30/2025)

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

Compliance Requirement: Subrecipient Monitoring

Condition: The Pennsylvania Department of Agriculture (PDA), Bureau of Food Assistance (BFA), administers the operations of the Food Distribution Cluster (FDC). During the fiscal year ended June 30, 2024, subrecipient expenditures accounted for \$120.6 million or approximately 98.6 percent of total federal program expenditures of \$122.3 million.

PDA performs on-site monitoring of subrecipients to ensure compliance with federal program regulations. For The Emergency Food Assistance Program (TEFAP), PDA must perform annual reviews for at least 25 percent of subrecipients who have signed agreements with PDA and no less frequent than once every four years. For the Commodity Supplemental Food Program (CSFP), PDA must perform an on-site review of all subrecipients at least once every two years.

As part of our testing of subrecipient monitoring, we selected 16 subrecipients out of 95 reviews conducted during the audit period to test PDA's monitoring procedures. We also evaluated that PDA performed monitoring reviews within the required time periods. Our testing disclosed that PDA performed annual reviews for at least 25 percent of subrecipients but failed to monitor 47 out of a population of 94 TEFAP soup kitchen subrecipients in the required four-year review period.

Criteria: 7 CFR Section 251.10 (e) (2) regarding TEFAP state monitoring system states:

Unless specific exceptions are approved in writing by FNS, the State agency monitoring system must include:

(i) An annual review of at least 25 percent of all eligible recipient agencies which have signed an agreement with the State agency pursuant to § 251.2(c), provided that each such agency must be reviewed no less frequently than once every four years; and

(ii) An annual review of one-tenth or 20, whichever is fewer, of all eligible recipient agencies which receive TEFAP commodities and/or administrative funds pursuant to an agreement with another eligible recipient agency. Reviews must be conducted, to the maximum extent feasible, simultaneously with actual distribution of commodities and/or meal service, and eligibility determinations, if applicable. State agencies must develop a system for selecting eligible recipient agencies for review that ensures deficiencies in program administration are detected and resolved in an effective and efficient manner.

COMMONWEALTH OF PENNSYLVANIA

Federal Award Findings and Questioned Costs - June 30, 2024

Finding 2024 – 005: (continued)

7 CFR Section 247.34 (a) regarding CSFP management reviews states:

The State agency must establish a management review system to ensure that local agencies, subdistributing agencies, and other agencies conducting program activities meet program requirements and objectives. As part of the system, the State agency must perform an on-site review of all local agencies, and of all storage facilities utilized by local agencies, at least once every two years. As part of the on-site review, the State agency must evaluate all aspects of program administration, including certification procedures, nutrition education, civil rights compliance, food storage practices, inventory controls, and financial management systems. In addition to conducting on-site reviews, the State agency must evaluate program administration on an ongoing basis by reviewing financial reports, audit reports, food orders, inventory reports, and other relevant information.

Management Directive 325.12, Amended – *Standards for Enterprise Risk Management in Commonwealth Agencies*, adopted the internal control framework outlined in the United States Government Accountability Office’s *Standards for Internal Control in the Federal Government (Green Book)*. The Green Book states in part:

Management should establish and operate monitoring activities to monitor the internal control system and evaluate the results. Management should remediate identified internal control deficiencies on a timely basis.

Cause: PDA management stated that the agency was viewing TEFAP soup kitchen subrecipients as “recipient agencies” which are not subject to the four-year review requirement as opposed to lead agencies with direct agreements with PDA that are subject to the four-year review requirement. Soup kitchens have direct agreements with PDA.

Effect: When subrecipients are not reviewed timely, subrecipients may continue to operate in noncompliance with program regulations.

Recommendation: We recommend that PDA implement procedures necessary to ensure subrecipients are timely monitored in accordance with FDC program regulations.

Agency Response: PDA agrees with this finding.

Questioned Costs: The amount of questioned costs cannot be determined.

The corrective action plan for this finding, if any, has not been reviewed by the auditors. See Corrective Action Plans located elsewhere in this Report.

COMMONWEALTH OF PENNSYLVANIA

Federal Award Findings and Questioned Costs - June 30, 2024

Department of Health

Finding 2024 – 006:

ALN 10.557 – WIC Special Supplemental Nutrition Program for Women, Infants, and Children (including COVID-19)

A Significant Deficiency and Noncompliance Exist at the Department of Health Related to Activities Allowed or Unallowed, Allowable Costs/Costs Principles

Federal Grant Number(s) and Year(s): 231PA705W1003 (10/01/2022 – 9/30/2023), 241PA705W1003 (10/01/2023 – 9/30/2024)

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

Compliance Requirement: Activities Allowed or Unallowed, Allowable Costs/Cost Principles

Condition: The Pennsylvania Department of Health (DOH) administers and monitors the WIC Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) which provides assistance to low-income families for supplemental foods, education, and social services. WIC funds are received via federal grants from the United States Department of Agriculture (USDA) to meet these needs. The Pennsylvania DOH is responsible for ensuring that granted funds are used for allowable costs and grant provisions are followed.

WIC administrative grant Y23172 closed on September 30, 2023. The audit procedures disclosed that the closed grant had federal revenues that exceeded federal expenditures by approximately \$95 thousand. DOH indicated that a credit was identified and posted to the grant after the FNS-798 grant close out report was submitted in February 2024. The credit was largely due to overcharges of costs for a Software License Agreement that was not allowable to the grant. The adjustment to record the credit to the grant posted in June 2024. Although DOH had identified and recorded the adjustment, DOH did not update the FNS-798 grant close out report which was necessary to return the corresponding federal funds to the USDA. DOH indicated that it is in the process of generating an updated FNS-798 report to enable the funds to be returned.

Criteria: 2 CFR Section 200.303, Internal controls, states:

The non-Federal entity must:

(a) 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 the Sponsoring Organizations of the Treadway Commission (COSO).

Management Directive 325.12, Amended – *Standards for Enterprise Risk Management in Commonwealth Agencies*, adopted the internal control framework outlined in the United States Government Accountability Office’s *Standards for Internal Control in the Federal Government (Green Book)*. The Green Book states in part:

Management should establish and operate monitoring activities to monitor the internal control system and evaluate the results. Management should remediate identified internal control deficiencies on a timely basis.

2 CFR Section 200.405, Allowable costs, states:

- a) **Allocable costs in general.** *A cost is allocable to a Federal award or other cost objective if the cost is assignable to that Federal award or other cost objective in accordance with the relative benefits received. This standard is met if the cost satisfies any of the following criteria:*

COMMONWEALTH OF PENNSYLVANIA

Federal Award Findings and Questioned Costs - June 30, 2024

Finding 2024 – 006: (continued)

- (1) Is incurred specifically for the Federal award;
- (2) Benefits both the Federal award and other work of the recipient or subrecipient and can be distributed in proportions that may be approximated using reasonable methods; or
- (3) Is necessary to the overall operation of the recipient or subrecipient and is assignable in part to the Federal award in accordance with these cost principles.

2 CFR Section 200.406, Applicable credits, states:

(a) Applicable credits refer to transactions that offset or reduce direct or indirect costs allocable to a Federal award. Examples of such transactions are purchase discounts, rebates or allowances, recoveries or indemnities on losses, insurance refunds or rebates, and adjustments of overpayments or erroneous charges. To the extent that such credits accruing to or received by the recipient or subrecipient relate to allowable costs, they must be credited to the Federal award either as a cost reduction or cash refund, as appropriate.

Cause: DOH was not aware of the overcharges at the time of grant closeout. Management subsequently became aware of the costs and credited the federal grant expenditures but did not recognize the FNS-798 report needed adjusted to facilitate the return of the federal funds.

Effect: DOH had unallowable costs expended within grant Y23172 that were not identified until after the grant was closed. The unallowable costs were later credited to the grant causing cumulative revenues to exceed cumulative expenditures for the grant. The federal funds were not properly returned to the USDA.

Recommendation: We recommend that DOH implement formal policies and procedures to prevent and detect any unallowable costs to ensure timely and accurate grant close out procedures. If adjustments are necessary after a grant is closed, procedures should include amending the FNS-798 report at the time of posting the adjustments. Furthermore, DOH should submit an updated FNS-798 report and return the \$95 thousand of federal funds to USDA.

Agency Response: DOH agrees with this finding.

Questioned Costs: None

The corrective action plan for this finding, if any, has not been reviewed by the auditors. See Corrective Action Plans located elsewhere in this Report.

COMMONWEALTH OF PENNSYLVANIA

Federal Award Findings and Questioned Costs - June 30, 2024

Department of Human Services

Finding 2024 – 007:

ALN 10.551 and 10.561 – Supplemental Nutrition Assistance Program (SNAP) Cluster (including COVID-19)

ALN 93.558 – Temporary Assistance for Needy Families

A Material Weakness and Material Noncompliance Exist at the Department of Human Services Related to Electronic Benefits Transfer Card Security (A Similar Condition Was Noted in Prior Year Finding 2023-012)

Federal Grant Number(s) and Year(s): 231PA405S2514 (10/01/2022 – 9/30/2023), 241PA405S2514 (10/01/2023 – 9/30/2024), 2301PATANF (10/01/2022 – 9/30/2023), 2401PATANF (10/01/2023 – 9/30/2024)

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

Compliance Requirement: Special Tests and Provisions related to EBT Card Security

Condition: During our audit of the Supplemental Nutrition Assistance Program (SNAP) administered by the Department of Human Services (DHS), we evaluated the security over Electronic Benefits Transfer (EBT) cards, which includes both the physical security of EBT cards during the issuance process at County Assistance Offices (CAO), as well as the handling of EBT cards returned from the United States Postal Service as undeliverable, or those that have been lost or stolen. EBT cards are the method by which SNAP benefit payments are made available to recipients. Also, EBT cards are the primary method by which cash and special allowance benefit payments are made available to Temporary Assistance for Needy Families (TANF) recipients. Total benefit expenditures for SNAP for the fiscal year ended June 30, 2024, totaled \$4.3 billion. Total benefit expenditures for TANF for the fiscal year ended June 30, 2024, totaled \$99.6 million.

Fourteen of the 88 CAO and district locations that issued EBT cards were selected for site testing in the current audit period. During our testing of the physical security over EBT cards, we noted exceptions at 12 CAO and district locations selected for testing. These exceptions included the following:

- 1) The Roles/Permissions Report from the EBT Card Tracking Database provided by the EBT Project Office and CAO/district offices did not reconcile (1 district office and 1 CAO location);
- 2) EBT cards were created outside of the hours of operations (1 district office and 1 CAO location);
- 3) Failure to perform the following:
 - Completion of paper Weekly EBT Inventory Log only in circumstances deemed an emergency (1 CAO location);
 - Ensure that upon receipt of each shipment of EBT cards and related supplies, the shipment is signed for and the shipping manifest is date stamped (1 CAO location);
 - Ensure unusable cards pulled from EBT Card inventory are shredded (1 CAO location);
 - Enter EBT card into the EBT Card Tracking Database at the same time that the card Primary Account Number (PAN) is created in the Electronic Payment Processing and Information Control (EPPIC) system (1 CAO location);
 - Mail locally created EBT cards directly to customers (1 district office);
 - Maintain adequate security of EBT cards (1 CAO location);
 - Maintain adequate security of pinning devices (1 CAO location);
 - Maintain adequate security of EBT card paper logs (1 CAO location);

COMMONWEALTH OF PENNSYLVANIA

Federal Award Findings and Questioned Costs - June 30, 2024

Finding 2024 – 007: (continued)

- Timely completion and submission of the EPPIC EBT Systems Application forms to the Office of Income Maintenance (OIM) EBT Security (3 district offices and 2 CAO locations);
- Timely deactivation of user access in the EBT Card Tracking Database (5 CAO locations);
- Timely enter a shipment received into the EBT Card Tracking Database (1 CAO location);
- Timely mail locally created EBT cards on the same day as card creation (1 district office); and
- Timely performance of the EBT Weekly Log Reconciliation and approval on Friday or last workday of the week during holidays (1 CAO location).

Criteria: The 2024 OMB Uniform Guidance Compliance Supplement, Part 4 – Agency Program Requirements for the SNAP Cluster, Special Tests and Provisions – N.3 EBT Card Security, states:

The state is required to maintain adequate security over, and documentation/records for, EBT cards to prevent their theft, embezzlement, loss, damage, destruction, unauthorized transfer, negotiation, or use (7 CFR Section 274.8(b)(3)).

7 CFR Section 274.5, Record retention and forms security, states:

(c) Accountable Documents.

(1) EBT cards shall be considered accountable documents. The State agency shall provide the following minimum security and control procedures for these documents:

- Secure storage;*
- Access limited to authorized personnel;*
- Bulk inventory control records;*
- Subsequent control records maintained through the point of issuance or use; and*
- Periodic review and validation of inventory controls and records by parties not otherwise involved in maintaining control records.*

45 CFR Section 75.302 applicable to TANF states:

(b) The financial management system of each non-Federal entity must provide for the following (see also §75.361, 75.362, 75.363, 75.364, and 75.365):

(4) Effective control over, and accountability for, all funds, property, and other assets. The non-Federal entity must adequately safeguard all assets and assure that they are used solely for authorized purposes. See §75.303.

Management Directive 325.12, Amended – *Standards for Enterprise Risk Management in Commonwealth Agencies*, adopted the internal control framework outlined in the United States Government Accountability Office’s *Standards for Internal Control in the Federal Government (Green Book)*. The Green Book states in part:

Management should establish and operate monitoring activities to monitor the internal control system and evaluate the results. Management should remediate identified internal control deficiencies on a timely basis.

Cause: Established policies and procedures were not followed consistently across CAO and district locations, which resulted in ineffective internal controls over EBT card security.

Effect: Without adequate security controls over EBT cards, there exists the possibility of misappropriation and/or abuse.

COMMONWEALTH OF PENNSYLVANIA

Federal Award Findings and Questioned Costs - June 30, 2024

Finding 2024 – 007: (continued)

Recommendation: We recommend that DHS monitor EBT card security at CAO and district locations on a regular basis to improve consistency in the execution of documented policies and procedures.

Agency Response: DHS agrees with this finding.

Questioned Costs: The amount of questioned costs cannot be determined.

The corrective action plan for this finding, if any, has not been reviewed by the auditors. See Corrective Action Plans located elsewhere in this Report.

COMMONWEALTH OF PENNSYLVANIA

Federal Award Findings and Questioned Costs - June 30, 2024

Department of Human Services

Finding 2024 – 008:

ALN 93.667 – Social Services Block Grant

A Material Weakness and Material Noncompliance Exist in the Department of Human Services’ Program Monitoring of the Social Services Block Grant Subrecipients (A Similar Condition Was Noted in Prior Year Finding 2023-015)

Federal Grant Number(s) and Year(s): 2401PASOSR (10/01/2023 – 9/30/2025), 2301PASOSR (10/01/2022 – 9/30/2024)

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

Compliance Requirements: Cash Management, Subrecipient Monitoring

Condition: Our examination of the Department of Human Services’ (DHS) procedures for monitoring Social Services Block Grant (SSBG) subrecipients revealed that DHS did not adequately monitor the SSBG Mental Health, Homeless Services, and Child Welfare subrecipients to ensure that SSBG awards are used in compliance with laws and regulations, which include allowable costs, period of performance, and other requirements. DHS program personnel indicated that they performed on-site monitoring of nine subrecipients, however only three reports were issued to the subrecipients. The inadequately monitored subrecipients received \$26.6 million (or approximately 29 percent) of total SSBG program expenditures of \$91.7 million reported on the Schedule of Expenditures of Federal Awards (SEFA). While we did note that DHS adequately monitored three of the 55 Mental Health County/County Joinder subrecipients which included Mental Health, Homeless Services and Child Welfare services, this coverage is not adequate. In addition, our review of the risk assessments completed for all of the aforementioned subrecipients identified several instances where subrecipient monitoring was warranted but was not conducted.

In addition, for the compliance requirement related to cash management, we noted that DHS advanced funds to SSBG subrecipients in four of nine program areas, representing \$34.0 million (or approximately 37 percent) of SSBG program expenditures, without adequately monitoring the reasonableness of the subrecipient cash balances. In particular, for the program areas related to Mental Health, Intellectual Disabilities, Homeless Services, and Child Welfare, DHS advanced funds to subrecipients on a quarterly basis. Our inquiries with applicable DHS program administrators disclosed that DHS did not adequately monitor the four program areas’ subrecipients for cash management compliance either at the time of payment or at any other time during the fiscal year ended June 30, 2024.

Furthermore, while Single Audits of SSBG subrecipients may be conducted each year, this auditing activity does not compensate for the lack of during-the-award program monitoring, since the timing, focus, and scope of subrecipient auditing activities after year end are different than compliance monitoring to be performed by program officials during the year.

Criteria: 45 CFR Section 75.352, Requirements for pass-through entities, states:

(d) Monitor the activities of the subrecipient as necessary to ensure that the subaward is used for authorized purposes, in compliance with Federal statutes, regulations, and the terms and conditions of the subaward; and that subaward performance goals are achieved. Pass-through entity monitoring of the subrecipient must include:

- (1) Reviewing financial and performance reports required by the pass-through entity.*
- (2) Following-up and ensuring that the subrecipient takes timely and appropriate action on all deficiencies pertaining to the Federal award provided to the subrecipient from the pass-through entity detected through audits, on-site reviews, and other means.*

COMMONWEALTH OF PENNSYLVANIA

Federal Award Findings and Questioned Costs - June 30, 2024

Finding 2024 – 008: (continued)

(3) Issuing a management decision for audit findings pertaining to the Federal award provided to the subrecipient from the pass-through entity...

(e) Depending upon the pass-through entity's assessment of risk posed by the subrecipient (as described in paragraph (b) of this section), the following monitoring tools may be useful for the pass-through entity to ensure proper accountability and compliance with program requirements and achievement of performance goals:

(1) Providing subrecipients with training and technical assistance on program-related matters; and

(2) Performing on-site reviews of the subrecipient's program operations;

(3) Arranging for agreed-upon-procedures engagements as described in §75.425 (Audit services).

45 CFR Section 75.305(b)(1), applicable to payments to subrecipients, states in part:

...Advance payments to a non-Federal entity must be limited to the minimum amounts needed and be timed to be in accordance with the actual, immediate cash requirements of the non-Federal entity in carrying out the purpose of the approved program or project. The timing and amount of advance payments must be as close as is administratively feasible to the actual disbursements by the non-Federal entity for direct program or project costs and the proportionate share of any allowable indirect costs. The non-Federal entity must make timely payment to contractors in accordance with the contract provisions.

Management Directive 325.12, Amended – *Standards for Enterprise Risk Management in Commonwealth Agencies*, adopted the internal control framework outlined in the United States Government Accountability Office's *Standards for Internal Control in the Federal Government (Green Book)*. The Green Book states in part:

Management should establish and operate monitoring activities to monitor the internal control system and evaluate the results. Management should remediate identified internal control deficiencies on a timely basis.

Cause: DHS management indicated that risk assessment and monitoring documents were created for use during on-site monitoring of SSBG subrecipients. However, due to staffing issues, on-site monitoring was not performed for all SSBG subrecipients.

Consistent with prior year audits, DHS management noted that there have been no changes to the payment methodology for the Homeless Services, Mental Health, Intellectual Disabilities, and Child Welfare components of SSBG. These programs provide subrecipients with advances to comply with Commonwealth law and also to ensure that adequate funds are available to provide services to participants on a timely basis. DHS officials believe that their in-house payment review procedures for the SSBG program are as efficient as administratively feasible and that controls exist in each of the program areas. Without on-site program monitoring visits by funding agency officials, we consider DHS's limited in-house reviews of subrecipient status reports or other documents to be insufficient to detect potential subrecipient noncompliance, including excess cash violations. DHS does not adjust payments to the subrecipients based on in-house reviews.

Effect: Since DHS does not adequately perform during-the-award monitoring of subrecipients, including the monitoring of subrecipient cash on hand, subrecipients may not be complying with applicable grant requirements and federal regulations, including cash management standards.

Recommendation: DHS should perform risk based during-the-award monitoring procedures for all SSBG subrecipients to ensure timely compliance with all applicable federal regulations. On-site monitoring visits by state officials should be supported by documentation to show the monitoring performed, areas examined, conclusions reached, and that the monitoring was performed in compliance with applicable regulations.

COMMONWEALTH OF PENNSYLVANIA

Federal Award Findings and Questioned Costs - June 30, 2024

Finding 2024 – 008: (continued)

As recommended in previous Single Audits and supported by the United States Department of Health and Human Services, DHS should either consider changing their current subrecipient payment procedures from advancement basis to reimbursement basis or establish procedures to adequately monitor subrecipient cash on hand to ensure it is limited to immediate needs, but no longer than one month. The implementation and strengthening of these controls should provide DHS with reasonable assurance as to compliance with cash management requirements at the subrecipient level.

Agency Response: DHS agrees with this finding.

Questioned Costs: The amount of questioned costs cannot be determined.

The corrective action plan for this finding, if any, has not been reviewed by the auditors. See Corrective Action Plans located elsewhere in this Report.

COMMONWEALTH OF PENNSYLVANIA

Federal Award Findings and Questioned Costs - June 30, 2024

**Department of Human Services
Department of Labor and Industry**

Finding 2024 – 009:

ALN 93.558 – Temporary Assistance for Needy Families

Department of Human Services Did Not Validate Financial Information as Part of Its On-Site Monitoring and the Department of Labor and Industry Did Not Perform Monitoring of Temporary Assistance for Needy Families Subrecipients (A Similar Condition Was Noted in Prior Year Finding 2023-014)

Federal Grant Number(s) and Year(s): 2401PATANF (10/01/2023 – 9/30/2024), 2301PATANF (10/01/2022 – 9/30/2023), 2201PATANF (10/01/2021 – 9/30/2022), 2101PATANF (10/01/2020 – 9/30/2021)

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

Compliance Requirement: Subrecipient Monitoring

Condition: During the fiscal year ended June 30, 2024, the Department of Human Services (DHS) paid \$83.5 million (or 21.9 percent) in Temporary Assistance for Needy Families (TANF) funding to subrecipients within the New Directions, Cash Grants, and Alternatives to Abortion appropriations out of total federal TANF expenditures of \$381.0 million reported on the June 30, 2024 Schedule of Expenditures of Federal Awards (SEFA).

Our testing of DHS's during-the-award monitoring of subrecipients for the fiscal year ended June 30, 2024, disclosed that DHS performed on-site monitoring for 16 out of 16 subrecipients selected for testing. The on-site monitoring that was performed consisted of reviews of program operations including design, data entry accuracy and timeliness, and case management analysis. The on-site monitoring also included a review of a sample of TANF recipient case files to ensure that the recipients' TANF activities were documented and accurately entered in the Commonwealth's Workforce Development System. However, DHS's monitoring procedures for the 16 subrecipients were not adequate as they did not include a review or monitoring of subrecipient financial records, which would provide an assessment of a subrecipient's compliance with applicable federal regulations. Although DHS's monitoring procedures include reviewing subrecipient completed questionnaires for selected subrecipients that had questions related to financial matters, DHS's monitoring personnel did not review subrecipient financial records. For example, DHS did not perform procedures to ensure subrecipient invoices agreed to the books and records of the subrecipient and that the records were adequate to support the allowability of costs paid by DHS during the award period. In addition, DHS's monitoring procedures did not include an evaluation of the operating effectiveness of DHS subrecipients' procedures to monitor Single Audits and any related findings.

Our testing also included follow-up on one subrecipient identified in the prior year finding as not being on-site monitored by DHS when the risk assessment warranted on-site monitoring. Our follow-up during the current audit period disclosed that DHS did not conduct on-site monitoring for this subrecipient during the fiscal year ended June 30, 2024. Since the on-site monitoring was not completed, internal control weaknesses, noncompliance, and questioned costs may have existed and remained undetected during the current audit period. This subrecipient received \$500 thousand of TANF funds during the fiscal year ended June 30, 2024.

During the fiscal year ended June 30, 2024, the Department of Labor and Industry (L&I) paid \$27.1 million in TANF funding to subrecipients within the Youth Employment and Training (E&T) appropriation (or 7.1 percent) out of total federal TANF expenditures of \$381.0 million reported on the June 30, 2024 SEFA.

Our testing of L&I's during-the-award monitoring of subrecipients for the fiscal year ended June 30, 2024, disclosed that L&I did not perform on-site monitoring or desk reviews for seven out of seven subrecipients selected for testing.

COMMONWEALTH OF PENNSYLVANIA

Federal Award Findings and Questioned Costs - June 30, 2024

Finding 2024 – 009: (continued)

Criteria: 45 CFR Section 75.352, Requirements for pass-through entities, states:

All pass-through entities must:

(d) Monitor the activities of the subrecipient as necessary to ensure that the subaward is used for authorized purposes, in compliance with Federal statutes, regulations, and the terms and conditions of the subaward; and that subaward performance goals are achieved. Pass-through entity monitoring of the subrecipient must include:

- (1) Reviewing financial and performance reports required by the pass-through entity.*
- (2) Following-up and ensuring that the subrecipient takes timely and appropriate action on all deficiencies pertaining to the Federal award provided to the subrecipient from the pass-through entity detected through audits, on-site reviews, and other means.*
- (3) Issuing a management decision for audit findings pertaining to the Federal award provided to the subrecipient from the pass-through entity as required by § 75.521 [Management decision].*

2 CFR Section 200.332, Requirements for pass-through entities, states in part:

A pass-through entity must:

(f) Depending upon the pass-through entity's assessment of risk posed by the subrecipient (as described in paragraph (c) of this section), the following monitoring tools may be useful for the pass-through entity to ensure proper accountability and compliance with program requirements and achievement of performance goals:

- (1) Providing subrecipients with training and technical assistance on program-related matters;*
- (2) Performing site visits to review the subrecipient's program operations; and*
- (3) Arranging for agreed-upon-procedures engagements as described in §200.425 [Audit services].*

Management Directive 325.12, Amended – *Standards for Enterprise Risk Management in Commonwealth Agencies*, adopted the internal control framework outlined in the United States Government Accountability Office's *Standards for Internal Control in the Federal Government (Green Book)*. The Green Book states in part:

Management should establish and operate monitoring activities to monitor the internal control system and evaluate the results. Management should remediate identified internal control deficiencies on a timely basis.

Cause: DHS considered how financial monitoring might be incorporated into on-site monitoring procedures, but updated procedures were not in place for monitoring conducted during the fiscal year ended June 30, 2024. Therefore, DHS has not implemented adequate during-the-award monitoring procedures of subrecipients to include testing of the financial records and the subrecipients' monitoring of Single Audits sufficient to ensure compliance with federal regulations. L&I recognized the need to perform during-the-award monitoring procedures for TANF funds passed through for the Youth E&T program, but the updated procedures were not in place for monitoring conducted during the fiscal year ended June 30, 2024.

Effect: TANF subrecipients could be operating in noncompliance with federal regulations without timely detection and correction by DHS and L&I management.

Recommendation: DHS and L&I should strengthen controls to ensure during-the-award monitoring is being performed for all TANF subrecipients and that the monitoring includes procedures to ensure that subrecipients are in compliance with applicable federal regulations. This should include examining subrecipients' financial records and ensuring that all required Single Audits were obtained by DHS and L&I subrecipients.

COMMONWEALTH OF PENNSYLVANIA

Federal Award Findings and Questioned Costs - June 30, 2024

Finding 2024 – 009: (continued)

DHS Response: DHS agrees with this finding.

L&I Response: L&I concurs with this finding. TANF Youth Development Program (TANF YDP) operations transitioned from the Bureau of Workforce Development Administration (BWDA) to the Bureau of Workforce Partnerships and Operations (BWPO) in January 2023. Due to this transition, BWPO did not conduct on site monitoring of the TANF YDP program in program year 2023. BWPO did begin on site monitoring in program year 2024 on a limited basis as a pilot with 3 local areas in September of 2024. BWPO plans to expand monitoring efforts in 2025.

Questioned Costs: The amount of questioned costs cannot be determined.

The corrective action plan for this finding, if any, has not been reviewed by the auditors. See Corrective Action Plans located elsewhere in this Report.

COMMONWEALTH OF PENNSYLVANIA

Federal Award Findings and Questioned Costs - June 30, 2024

Department of Labor and Industry

Finding 2024 – 010:

ALN 17.225 – Unemployment Insurance (including COVID-19)

A Significant Deficiency Exists at the Department of Labor and Industry Related to the Work Registration Requirement

Federal Grant Number(s) and Year(s): C101064 (7/01/2023 – 6/30/2024)

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

Compliance Requirement: Eligibility

Condition: The Pennsylvania Department of Labor and Industry (L&I) administers and monitors federal Unemployment Insurance (UI) funds to provide benefits for unemployed workers for periods of involuntary unemployment. L&I is responsible for establishing policy and procedure to comply with the requirements of federal UI laws including collecting UI contributions, determining claimant eligibility, and making UI benefit payments. L&I uses Pennsylvania CareerLink and the Unemployment Compensation Benefits System to aid in making eligibility determinations pursuant federal requirements.

During the fiscal year ended June 30, 2024, testing revealed a claimant that was a union employee and claimed and received benefits was erroneously exempted from the work registration requirement. The work registration requirement is a condition of eligibility to receive benefits. L&I indicated that a programmatic error within the Unemployment Compensation Benefits System, which crossmatches against the Commonwealth Workforce Development System (CWDS), was not recognizing the workers with a union status as being required to register. Therefore, when the information came back from CWDS that claimants were not registered, the system incorrectly categorized these claimants as exempt.

L&I performed an analysis to determine the potential number of union claimants that were erroneously exempt from the work registration requirement. After analyzing the data, L&I developed an estimate of possible overpayments to include 3,481 claimants totaling \$22.5 million. The estimated numbers represent the maximum possible error and would require further investigation at the individual claimant level to specifically determine actual overpayments. L&I indicated that due to this being a programmatic error, not due to claimants' action or inaction, in consultation with legal counsel, L&I elected to invoke the Secretary's right to retroactively waive the registration requirement for these claimants. L&I acknowledged the programmatic issue prevented these individuals from knowing they would otherwise be denied for not registering. Furthermore, L&I stated it would be oppressive to inform the individuals now of requirements that needed to be met at the time of application, as well as burden them with unexpected overpayments.

Criteria: 2 CFR Section 200.303, Internal controls, states:

The non-Federal entity must:

(a) 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 the Sponsoring Organizations of the Treadway Commission (COSO).

COMMONWEALTH OF PENNSYLVANIA

Federal Award Findings and Questioned Costs - June 30, 2024

Finding 2024 – 010: (continued)

Management Directive 325.12, Amended – *Standards for Enterprise Risk Management in Commonwealth Agencies*, adopted the internal control framework outlined in the United States Government Accountability Office’s *Standards for Internal Control in the Federal Government* (Green Book). The Green Book states in part:

Management should establish and operate monitoring activities to monitor the internal control system and evaluate the results. Management should remediate identified internal control deficiencies on a timely basis.

The 2024 OMB Uniform Guidance Compliance Supplement, Part 4 – Agency Program Requirements for the UI program, Eligibility, states:

Regular Unemployment Compensation Program – Under state UC laws, a worker’s benefit rights depend on the amount of the worker’s wages and/or weeks of work in covered employment in a “base period.” While most states define the base period as the first four of the last five completed calendar quarters prior to the filing of the claim, other base periods may be used. To qualify for benefits, a claimant must have earned a certain number of wages or have worked a certain number of weeks or calendar quarters within the base period or meet some combination of wage and employment requirements. Some states require a waiting period of one week of total or partial unemployment before UC is payable. A “waiting period” is a non-compensable period of unemployment in which the worker is otherwise eligible for benefits.

To be eligible to receive UC, all states provide that a claimant must have been separated from suitable work for non-disqualifying reasons under state law (i.e., not because of such acts as leaving voluntarily without good cause or discharge for misconduct connected with work). After separation, they must be able and available for work, actively seeking work, legally authorized to work in the United States and must not have refused an offer of suitable work.

Pennsylvania UC Law booklet, states:

ARTICLE IV COMPENSATION Section 401.
Qualifications Required to Secure Compensation.—

Compensation shall be payable to any employe who is or becomes unemployed, and who—

(a) Satisfies both of the following requirements: (1) Has, within his base year, been paid wages for employment as required by section 404(c) of this act. (2) Except as provided in section 404(a)(3) and (e)(2)(v), not less than thirty-seven per centum (37%) of the employe's total base year wages have been paid in one or more quarters, other than the highest quarter in such employe's base year. ((2) amended June 30, 2021, P.L.173, No.30) ((a) amended Nov. 3, 2016, P.L.1100, No.144)
(b) (1) Is making an active search for suitable employment. The requirements for "active search" shall be established by the department and shall include, at a minimum, all of the following: 106 PENNSYLVANIA UNEMPLOYMENT COMPENSATION LAW (i) Registration by a claimant for employment search services offered by the Pennsylvania CareerLink system or its successor agency within thirty (30) days after initial application for benefits. (ii) Posting a resume on the system's database, unless the claimant is seeking work in an employment sector in which resumes are not commonly used. (iii) Applying for positions that offer employment and wages similar to those the claimant had prior to his unemployment and which are within a forty-five (45) minute commuting distance.

Cause: A programmatic error within the Unemployment Compensation Benefits System erroneously exempted claimants with a union status from the work registration requirement.

Effect: Claimants with union status that were exempted from the work registration eligibility requirement possibly received UI benefit payments without meeting all the eligibility requirements, resulting in disallowed benefit payments. As indicated above in the condition, L&I has elected to invoke the Secretary’s right to retroactively waive the registration requirement for these claimants.

Recommendation: We recommend that L&I strengthen policies and procedures to prevent and detect errors that could result in improper benefit payments.

COMMONWEALTH OF PENNSYLVANIA

Federal Award Findings and Questioned Costs - June 30, 2024

Finding 2024 – 010: (continued)

Agency Response: L&I agrees with this finding.

Questioned Costs: The amount of questioned costs cannot be determined.

The corrective action plan for this finding, if any, has not been reviewed by the auditors. See Corrective Action Plans located elsewhere in this Report.

COMMONWEALTH OF PENNSYLVANIA

Federal Award Findings and Questioned Costs - June 30, 2024

Department of Labor and Industry

Finding 2024 – 011:

ALN 17.225 – Unemployment Insurance (including COVID-19)

A Significant Deficiency Exists at the Department of Labor and Industry Related to the Reemployment Services and Eligibility Assessments Program

Federal Grant Number(s) and Year(s): C10164 (7/01/2023 – 6/30/2024)

Type of Finding: Significant Deficiency in Internal Control over Compliance

Compliance Requirement: Special Tests and Provisions related to Unemployment Insurance (UI) Reemployment Programs: Worker Profiling and Reemployment Services (WPRS) and Reemployment Services and Eligibility Assessments (RESEA)

Condition: During the fiscal year ended June 30, 2024, the Department of Labor and Industry (L&I) was required to administer reemployment services for the Unemployment Insurance (UI) program. The Commonwealth of Pennsylvania elected to operate the Reemployment Services and Eligibility Assessments (RESEA) program to satisfy the Worker Profiling and Reemployment Services (WPRS) federal mandate which was permitted by federal requirements.

The RESEA program enables claimants who are most likely to exhaust their benefits to access services that assist them to return to work or provide assistance in areas such as job search or placement, job markets, and testing. Claimant participants work with a case administrator (administrator) throughout the program, and the administrators are supervised by a case manager. L&I's program procedures are outlined in the Labor and Industry RESEA Manual which details claimant selection, eligibility, and the intervention process performed by the administrator to assist participating claimants.

The Commonwealth of Pennsylvania's RESEA program uses a comprehensive checklist from the RESEA Manual to ensure that all elements of the program are being satisfied for each case. To test the RESEA requirements for the fiscal year ending June 30, 2024, a sample of 40 out of 22,774 claimant cases that completed the program during that time period was selected for testing. No noncompliance was identified. However, we were unable to test the operating effectiveness of certain internal control procedures at the case level, since supporting documentation for checklists was not maintained for eight of the 40 cases tested.

Criteria: 2 CFR Section 200.303, Internal controls, states:

The non-Federal entity must:

(a) 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).

Management Directive 325.12 *Standards for Internal Control for Commonwealth Agencies*, adopted the internal control framework outlined in the United States Government Accountability Office's *Standards for Internal Control in the Federal Government (Green Book)*, published in September 2014. The Green Book states in part:

COMMONWEALTH OF PENNSYLVANIA

Federal Award Findings and Questioned Costs - June 30, 2024

Finding 2024 – 011: (continued)

Management should design control activities to achieve objectives and respond to risks.

Management should establish and operate monitoring activities to monitor the internal control system and evaluate the results. Management should remediate identified internal control deficiencies on a timely basis.

Cause: According to L&I management, the checklist was mandatory for use by the administrators. L&I indicated that the eight checklists which were unavailable to be reviewed were lost due to moving locations.

Effect: The lack of adequate internal controls over compliance in the RESEA program could result in improper identification of claimants and insufficient services resulting in federal noncompliance. Although noncompliance was not identified by our audit procedures, fully operational controls would enable case administrators and managers to ensure compliance with program requirements and to timely prevent and detect instances of noncompliance.

Recommendation: We recommend that L&I management ensure the use of the checklist to strengthen internal controls and to ensure verification of all elements of the RESEA program are occurring, accurate, and complete. Also, L&I management should ensure that proper documentation of the use of these tools is maintained.

Agency Response: L&I is in agreement with the recommendations and will ensure that the checklist will be completed for all RESEA recipients. Management will ensure that proper documentation of this tool is maintained.

1. Yearly RESEA case file reviews will be conducted by the Bureau of Workforce Partnership & Operations (BWPO) Central office staff.
2. Quarterly meetings with local office staff to reinforce the importance of utilizing the checklist.

Questioned Costs: None

The corrective action plan for this finding, if any, has not been reviewed by the auditors. See Corrective Action Plans located elsewhere in this Report.

COMMONWEALTH OF PENNSYLVANIA

Federal Award Findings and Questioned Costs - June 30, 2024

Department of Labor and Industry

Finding 2024 – 012:

ALN 17.258, 17.259, and 17.278 – Workforce Innovation and Opportunity Act (WIOA) Cluster

A Significant Deficiency Exists at the Department of Labor and Industry Related to Inappropriate Privileged Access

Federal Grant Number(s) and Year(s): 23A55AT000019 (7/01/2023 – 6/30/2026), 23A55AW000022 (7/01/2023 – 6/30/2026), 23A55AY000029 (4/01/2023 – 6/30/2026), AA347902055A42 (10/01/2019 – 6/30/2023), AA363422155A42 (4/01/2021 – 6/30/2024), AA385522255A42 (4/01/2022 – 6/30/2025)

Type of Finding: Significant Deficiency in Internal Control over Compliance

Compliance Requirement: Other

Condition: As part of testing internal controls over the Workforce Innovation and Opportunity Act (WIOA) Cluster program, we performed certain tests of information technology (IT) general controls over a computer application used by the Department of Labor and Industry (L&I), Bureau of Workforce Development Administration (BWDA) and supported by the Office of Administration – Office for Information Technology (OA-OIT) – Employment, Banking and Revenue (EBR) Delivery Center.

During our testing of privileged access, we noted the following control deficiencies in an application used to capture, track, and monitor WIOA program activities:

1. An inappropriate application administrator role was assigned to six users who did not require the role to perform their job duties. There was no documented logging or monitoring of the use of this elevated access.
2. Four users were not removed from the system within two weeks after separating employment.

Details of this issue have been provided to the BWDA and the EBR Delivery Center for their information and corrective action.

Criteria: Management Directive 325.12, Amended – *Standards for Enterprise Risk Management in Commonwealth Agencies*, adopted the internal control framework outlined in the United States Government Accountability Office’s *Standards for Internal Control in the Federal Government (Green Book)*.

Green Book Principle 11 – Design Activities for the Information System, states in part:

- 11.12 Management designs control activities over access to protect an entity from inappropriate access and unauthorized use of the system. These control activities support appropriate segregation of duties. By preventing unauthorized use of and changes to the system, data and program integrity are protected from malicious intent (e.g., someone breaking into the technology to commit fraud, vandalism, or terrorism) or error.
- 11.14 Management designs control activities to limit user access to information technology through authorization control activities, such as providing a unique user identification or token to authorized users. These control activities may restrict authorized users to the applications or functions commensurate with their assigned responsibilities, supporting an appropriate segregation of duties. Management designs other control activities to promptly update access rights when employees change job functions or leave the entity.

COMMONWEALTH OF PENNSYLVANIA

Federal Award Findings and Questioned Costs - June 30, 2024

Finding 2024 – 012: (continued)

Information Technology Policy – OPD SEC007a – *Configurations for IDs, Passwords, and Multi-Factor Authentication*, revised July 12, 2022, section 3.7 states, in part:

- *Least privileged. By default, all accounts should be assigned the lowest level of permissions. If elevated permissions are required a change request should be submitted and approved before elevated permissions are granted to any account.*

Governor’s Office Executive Order 2016-06 *Enterprise Information Technology Governance*, amended October 27, 2020, establishes responsibility for all information technology (IT) services in the Commonwealth to the Office of Administration, Office for Information Technology (OA-OIT). Section 1 states:

- *Powers and Duties. The Governor’s Office of Administration, Office for Information Technology... (“OA/OIT”) led by the Commonwealth Chief Information Officer (“Commonwealth CIO”), has overall responsibility for the management and operation of IT services for all executive agencies under the Governor’s jurisdiction....*

A well-designed system of internal controls dictates that effective IT general controls, which includes access controls to programs and data, be established and functioning to ensure that overall agency operations are conducted in accordance with management’s intent.

Cause: Under Executive Order 2016-06, OA-OIT is responsible for management and operation of IT services for all executive agencies under the Governor’s jurisdiction. In practice, however, L&I, BWDA has taken responsibility for the following functions in local offices across Pennsylvania: 1) adding new local office users to the application; 2) performing periodic access reviews of the appropriateness of access to the application at the local level; and 3) removing terminated local users from the application.

BWDA management approved an inappropriate application administrator role at the local offices because established procedures did not adequately describe appropriate application administrator roles that can be assigned to non-Commonwealth staff or adequately describe accurate assignment and approval of these roles. Additionally, user access request forms were designed inadequately. Some user access request forms explicitly stated that the role should only be assigned to Commonwealth staff, while other forms did not. Central staff periodic access reviews of local users also failed to identify these inappropriate roles because central staff reviewers only confirmed that the users were still employed, and did not verify that their level of access was appropriate. Further, the annual periodic access review was not documented for review or audit purposes. Central Staff removed the inappropriate roles from the users’ profiles after the audit period once the auditors pointed out the issue.

Established policy and procedures to disable separated users were not followed, which required either the local office system administrator or a central office administrator to submit a request to the L&I resource account no later than the employees last day of work, or the first business day after. One user that was not removed timely after separation had left employment over four years ago. The three other users had separated employment approximately six to seven months ago. Furthermore, the annual periodic access reviews failed to identify these separated users.

Effect: Inappropriate privileged access and untimely removal of terminated users contributes to the risk that system actions can occur that are not in accordance with management’s intent. Further, without properly functioning controls over terminated users and privileged access, management is precluded from reliance on computer controls in these agencies.

Recommendation: We recommend that BWDA management:

- Update the user access request form to clarify which privileged roles may be assigned to application users;
- Revise policies and procedures for the creation of accounts and assignment of roles to non-Commonwealth users in accordance with the policy for least privilege;

COMMONWEALTH OF PENNSYLVANIA

Federal Award Findings and Questioned Costs - June 30, 2024

Finding 2024 – 012: (continued)

- Document the annual periodic access reviews of local privileged users to ensure that central staff confirm appropriate role assignments and retain for audit purposes;
- Implement stronger controls to improve timely notifications of user separations; and
- Provide training to personnel on creation of accounts, assignment of administrator roles, and timely notification of user separations.

Agency Response: As previously communicated to the auditors, Bureau of Workforce Partnership & Operations (BWPO) acknowledges and accepts the six non-state users receiving the administrator role in error.

BWPO accepts and acknowledges the four User Accounts which were not deactivated timely. One instance was a failure of Local Office staff to notify of a staff separation with the other three being staff members from the Apprenticeship and Training Office (ATO) who separated from that Bureau without the Customer Service Unit being notified.

Questioned Costs: None

The corrective action plan for this finding, if any, has not been reviewed by the auditors. See Corrective Action Plans located elsewhere in this Report.

COMMONWEALTH OF PENNSYLVANIA

Federal Award Findings and Questioned Costs - June 30, 2024

Office of Budget Operations

Finding 2024 – 013:

ALN 21.027 – COVID 19 – Coronavirus State and Local Fiscal Recovery Funds

A Significant Deficiency and Noncompliance Exist at the Office of Budget Operations Related to the Quarterly Project and Expenditure Report (A Similar Condition Was Noted in Prior Year Finding 2023-020)

Federal Grant Number(s) and Year(s): TN75GJE1S7G3 (3/03/2021 – 12/31/2024)

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

Compliance Requirement: Reporting

Condition: Two of four quarterly Project and Expenditure Reports were selected for testing. The Office of Budget Operations (OBO) reported incomplete capital project information in these quarterly reports. Specifically, the following exceptions were noted:

- A project's description allows capital expenditures by subrecipients, but OBO has reported it as a non-capital project on both the 9/30/2023 and 3/31/2024 quarterly Project and Expenditure reports. In addition, the Pennsylvania Emergency Management Agency (PEMA) did not require the subrecipients receiving funding under this project to report their capital expenditures to PEMA. Therefore, OBO is unable to determine the amount of capital expenditures obligated and expended for this project for the quarters tested.
- A capital project in excess of \$10 million was reported as a non-capital project on the 9/30/2023 quarterly report.
- On the 9/30/2023 quarterly report, the project was correctly reported as a capital project and the required written justification was included, however, the justification did not include all required elements.

Criteria: Per the Compliance and Reporting Guidance issued by the U.S. Department of the Treasury, recipients must report if a project includes capital expenditures, the type of capital expenditure, and the amount of capital expenditures obligated and expended.

Per 31 CFR §35.6(b)(4), a recipient, other than a Tribal government, must prepare written justifications for capital projects with capital expenditures enumerated by Treasury in the final rule and with total capital expenditures greater than \$10 million.

Such written justifications must include the following elements:

- Describe the harm or need to be addressed;*
- Explain why a capital expenditure is appropriate; and*
- Compare the proposed capital expenditure to at least two alternative capital expenditures and demonstrate why the proposed capital expenditure is superior.*

Management Directive 325.12, Amended – *Standards for Enterprise Risk Management in Commonwealth Agencies*, adopted the internal control framework outlined in the United States Government Accountability Office's *Standards for Internal Control in the Federal Government (Green Book)*. The Green Book states in part:

Management should establish and operate monitoring activities to monitor the internal control system and evaluate the results. Management should remediate identified internal control deficiencies on a timely basis.

Cause: PEMA issued subawards to 666 local EMS companies and the subrecipients were allowed to expend the funds on a variety of uses, including capital expenditures. PEMA did not obtain detail of capital expenditures incurred from the subrecipients and was therefore unable to provide the information to OBO for inclusion on the Project and Expenditure Reports.

COMMONWEALTH OF PENNSYLVANIA

Federal Award Findings and Questioned Costs - June 30, 2024

Finding 2024 – 013: (continued)

The required elements for capital project justifications are summarized on page 4390 of the Final Rule, but they are not mentioned in the Project and Expenditure Report User Guide nor in the Compliance and Reporting Guidance. Therefore, OBO was unaware that it was necessary to include specific elements in the justification.

Effect: OBO did not properly identify and report capital projects. Errors included omitting capital project obligations and expenditures and incomplete justifications for a capital project greater than \$10 million.

Recommendation: We recommend that OBO ensures that all capital projects are properly reported and that justifications for capital projects greater than \$10 million include all required elements. We further recommend that subrecipients are sufficiently monitored to allow OBO to correctly report capital expenditures obligated and expended.

Agency Response: The Office of Budget Operations, formerly known as the Governor’s Budget Office or GBO, agrees with this finding. Through our Corrective Action Plan, we will document the work we’ve already done to resolve this finding.

Questioned Costs: None

The corrective action plan for this finding, if any, has not been reviewed by the auditors. See Corrective Action Plans located elsewhere in this Report.

COMMONWEALTH OF PENNSYLVANIA

Federal Award Findings and Questioned Costs - June 30, 2024

Various Agencies

Finding 2024 – 014:

ALN 10.565, 10.568, 10.569 – Food Distribution Cluster

ALN 93.044, 93.045, 93.053 – Aging Cluster (including COVID-19)

ALN 93.323 – Epidemiology and Laboratory Capacity for Infectious Diseases
(including COVID-19)

ALN 93.558 – Temporary Assistance for Needy Families

ALN 93.667 – Social Services Block Grant

ALN 93.788 – Opioid STR

State Agencies Did Not Identify the Federal Award Information and Applicable Requirements at the Time of the Subaward and Did Not Evaluate Each Subrecipient’s Risk of Noncompliance as Required by the Uniform Grant Guidance (A Similar Condition Was Noted in Prior Year Finding 2023-023)

Federal Grant Number(s) and Year(s): 231PA825Y8005 (10/01/2022 – 9/30/2023), 231PA825Y8105 (10/01/2022 – 9/30/2023), 231PA445Q2204 (10/01/2022 – 9/30/2023), 241PA825Y8005 (10/01/2023 – 9/30/2024), 241PA825Y8105 (10/01/2023 – 9/30/2024), 228PA100I1003 (6/13/2022 – 6/30/2025), 238PA000I1003 (5/25/2023 – 6/30/2025), 2101PACMC6 (4/01/2021 – 9/30/2024), 2101PAHDC6 (4/01/2021 – 9/30/2024), 2101PAPHC6 (4/01/2021 – 9/30/2024), 2101PASSC6 (4/01/2021 – 9/30/2024), 2201PAOASS (10/01/2021 – 9/30/2023), 2201PASTPH (1/01/2022 – 9/30/2024), 2301PAOACM (10/01/2022 – 9/30/2024), 2301PAOAH (10/01/2022 – 9/30/2024), 2301PAOANS (10/01/2022 – 9/30/2024), 2301PAOASS (10/01/2022 – 9/30/2024), 2401PAOACM (10/01/2023 – 9/30/2025), 2401PAOAH (10/01/2023 – 9/30/2025), 2401PAOANS (10/01/2023 – 9/30/2025), 2401PAOASS (10/01/2023 – 9/30/2025), NU50CK000527 (8/01/2019 – 7/31/2026), 2401PATANF (10/01/2023 – 9/30/2024), 2301PATANF (10/01/2022 – 9/30/2023), 2201PATANF (10/01/2021 – 9/30/2022), 2101PATANF (10/01/2020 – 9/30/2021), 2301PASOSR (10/01/2022 – 9/30/2024), 2401PASOSR (10/01/2023 – 9/30/2025), H79TI083297 (9/30/2021 – 9/29/2023), H79TI085783 (9/30/2022 – 9/29/2024)

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

Compliance Requirement: Subrecipient Monitoring

Condition: The Uniform Guidance in 2 CFR Section 200 applies to the major programs listed above for the fiscal year ended June 30, 2024. Our testing disclosed that the Pennsylvania Department of Human Services (DHS), the Pennsylvania Department of Drug and Alcohol Programs (DDAP), and the Pennsylvania Department of Labor and Industry (L&I) did not identify the federal award information and applicable requirements in subrecipient award documents. Additionally, the Pennsylvania Department of Agriculture (PDA), Pennsylvania Department of Aging (PDOA), Pennsylvania Department of Health (DOH), and DHS did not adequately evaluate each subrecipient’s risk of noncompliance for the purpose of determining the appropriate subrecipient monitoring related to the subaward. This represents an internal control weakness which could cause subrecipients to be improperly informed of federal award information and may result in inadequate monitoring by the state agencies. Also, it could cause the omission or improper identification of program expenditures on subrecipients’ Schedules of Expenditures of Federal Awards (SEFAs). The following chart shows which federal award information required by 2 CFR Section 200 was omitted (as indicated by “No”) from the subrecipient award documents at the time of the subaward and which major programs did not have a state agency evaluation of each subrecipient’s risk of noncompliance.

COMMONWEALTH OF PENNSYLVANIA

Federal Award Findings and Questioned Costs - June 30, 2024

Finding 2024 – 014: (continued)

Program	Agency	Amount Passed to Subrecipients (in thousands)	Federal Award Date	Subaward Period of Performance Start and End Dates	Contact Information for Awarding Official	Evaluation of Subrecipient Risk
Food Distribution Cluster	PDA	\$120,651	-	-	-	No
Aging Cluster (including COVID-19)	PDOA	\$71,595	-	-	-	No
Epidemiology and Laboratory Capacity (including COVID-19)	DOH	\$75,442	-	-	-	No
TANF – Child Care	DHS	\$44,435	-	-	-	-
TANF – Other	DHS	\$83,459	-	-	-	No
TANF – Youth E&T	L&I	\$27,143	-	-	-	-
Social Services Block Grant – Nonprofit Subrecipients	DHS	\$13,397	No	No	No	-
Opioid STR	DDAP	\$57,929	No	-	-	-

Program	Federal Award Identification Number	Name of Federal Awarding Agency	Assistance Listing Number	Assistance Listing Title	Federal Funds Obligated	Federal Funds Committed
Food Distribution Cluster	-	-	-	-	-	-
Aging Cluster (including COVID-19)	-	-	-	-	-	-
Epidemiology and Laboratory Capacity (including COVID-19)	-	-	-	-	-	-
TANF – Child Care	No	-	-	-	-	-
TANF - Other	-	-	-	-	-	-
TANF – Youth E&T	-	No	-	-	-	-
Social Services Block Grant – Nonprofit Subrecipients	No	No	No	No	-	-
Opioid STR	No	-	-	-	No	No

(The cells with a hyphen in the table indicate that the federal award information was included in the subrecipient award documents or was not applicable for the respective major program.)

Criteria: 2 CFR Section 200.332, Requirements for pass-through entities, states in part:

All pass-through entities must:

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

COMMONWEALTH OF PENNSYLVANIA

Federal Award Findings and Questioned Costs - June 30, 2024

Finding 2024 – 014: (continued)

(1) Federal Award Identification.

- (iii) Federal Award Identification Number (FAIN);
- (iv) Federal Award Date (see the definition of Federal Award date in section 200.1) of award to the recipient by the Federal agency;
- (v) Subaward Period of Performance Start and End Date;
- (viii) Total Amount of Federal Funds Obligated to the subrecipient by the pass-through entity, including the current financial obligation;
- (ix) Total Amount of the Federal Award committed to the subrecipient by the pass-through entity;
- (xi) Name of Federal awarding agency, pass-through entity, and contact information for awarding official of the pass-through entity;
- (xii) Assistance Listings Number and Title; the pass-through entity must identify the dollar amount made available under each Federal award and the Assistance Listings Number at time of disbursement;

(6) Appropriate terms and conditions concerning closeout of the subaward.

(b) Evaluate each subrecipient's risk of noncompliance with Federal statutes, regulations, and the terms and conditions of the subaward for purposes of determining the appropriate subrecipient monitoring described in paragraphs (d) and (e) of this section, which may include consideration of such factors as:

- (1) The subrecipient's prior experience with the same or similar subawards;
- (2) The results of previous audits including whether or not the subrecipient receives a Single Audit in accordance with Subpart F [Audit Requirements] of this part, and the extent to which the same or similar subaward has been audited as a major program;
- (3) Whether the subrecipient has new personnel or new or substantially changed systems; and
- (4) The extent and results of Federal awarding agency monitoring (e.g., if the subrecipient also receives Federal awards directly from a Federal awarding agency)

Management Directive 325.12, Amended – Standards for Enterprise Risk Management in Commonwealth Agencies, adopted the internal control framework outlined in the United States Government Accountability Office's Standards for Internal Control in the Federal Government (Green Book). The Green Book states in part:

Management should identify, analyze, and respond to risks related to achieving the defined objectives. Management should identify, analyze, and respond to significant changes that could impact the internal control system.

Cause: In general, DHS's, L&I's, and DDAP's processes for subrecipient award monitoring did not identify the omission of required elements from the grant awards. In addition, the risk assessments performed by PDA, PDOA, DOH, and DHS were not properly documented or not performed.

Effect: Excluding the 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 SEFAs in their Single Audit reports submitted to the Commonwealth, and federal funds may not be properly audited at the subrecipient level in accordance with the Single Audit Act and Uniform Guidance.

Not evaluating each subrecipient's risk of noncompliance for purposes of determining the appropriate subrecipient monitoring related to the subaward may result in subrecipients using the subaward for unauthorized purposes or in violation of the terms and conditions of the subaward, and state agency monitoring would not detect this noncompliance and ensure it is corrected in a timely manner.

COMMONWEALTH OF PENNSYLVANIA

Federal Award Findings and Questioned Costs - June 30, 2024

Finding 2024 – 014: (continued)

Recommendation: DHS, L&I, and DDAP should develop policies and reporting mechanisms to ensure all required federal award information is disseminated to all subrecipients at the time of the subaward to ensure subrecipient compliance with the Uniform Guidance in 2 CFR Section 200 and other applicable federal regulations. In addition, DHS, DDAP, and L&I should correspond with applicable subrecipients to ensure they are aware of the correct federal award information and review applicable subaward documents prior to issuance to ensure federal information is complete and accurate. PDA, PDOA, DOH, and DHS should implement procedures to adequately document their evaluation of each subrecipient’s risk of noncompliance as cited in 2 CFR Section 200.332 for purposes of determining the appropriate subrecipient monitoring related to the subaward.

DHS Response: DHS agrees with the finding.

DOH Response: DOH agrees with the finding.

PDA Response: PDA agrees with the finding.

PDOA Response: PDOA agrees with the finding.

DDAP Response: DDAP agrees with the concern indicated in this finding regarding not identifying the federal award information and applicable requirements in subrecipient award documents. The Department contracts with 47 Single County Authorities (SCAs) through 5-year grant agreements. These grant agreements may not have all of the required federal award information pursuant to 2 CFR 200.332 when the agreement is executed. DDAP understands the need to develop policies to ensure all required federal award information is disseminated to all subrecipients. Going forward, the Department will send a separate notification to all subrecipients once all federal award information has been identified to ensure subrecipient compliance with the Uniform Guidance in 2 CFR Section 200 and other applicable federal regulations.

L&I Response: L&I considered the required elements outlined in 2 CFR Section 200.332 when designing the template for its subaward documents. The template included a specific section to list the Federal Awarding Agency; however, upon execution of the TANF subaward documents, L&I inadvertently entered incorrect data into this field. The result was that while a Federal Agency was listed in the contract, it was not the Federal Awarding Agency that provided the TANF funding. Upon being made aware of the error, L&I immediately corrected and disseminated the corrected information to the sub-recipients through the Commonwealth Workforce Development System. L&I agrees that at the time of award the name of the Federal Awarding Agency that provided the TANF funding was not included in the subaward documents.

Questioned Costs: The amount of questioned costs cannot be determined.

The corrective action plan for this finding, if any, has not been reviewed by the auditors. See Corrective Action Plans located elsewhere in this Report.

COMMONWEALTH OF PENNSYLVANIA

Federal Award Findings and Questioned Costs - June 30, 2024

Various Agencies

Finding 2024 – 015:

ALN 10.565, 10.568, 10.569 – Food Distribution Cluster
ALN 15.252 – Abandoned Mine Land Reclamation (AMLR)
ALN 21.027 – COVID 19 – Coronavirus State and Local Fiscal Recovery Funds
ALN 84.425C – COVID 19 – Education Stabilization Fund – GEER Fund
ALN 84.425D – COVID 19 – Education Stabilization Fund – ESSER Fund
ALN 84.425R – COVID 19 – Education Stabilization Fund – CRRSA EANS Program
ALN 84.425U – COVID 19 – Education Stabilization Fund – ARP ESSER
ALN 84.425V – COVID 19 – Education Stabilization Fund – ARP EANS Program
ALN 84.425W – COVID 19 – Education Stabilization Fund – ARP ESSER HCY
ALN 93.044, 93.045, 93.053 – Aging Cluster (including COVID-19)
ALN 93.558 – Temporary Assistance for Needy Families
ALN 93.667 – Social Services Block Grant

A Material Weakness and Material Noncompliance Exist in the Commonwealth's Subrecipient Audit Resolution Process (A Similar Condition Was Noted in Prior Year Finding 2023-024)

Federal Grant Number(s) and Year(s): 228PA100I1003 (6/13/2022 – 6/30/2025), 231PA445Q2204 (10/01/2022 – 9/30/2023), 231PA825Y8005 (10/01/2022 – 9/30/2023), 231PA825Y8105 (10/01/2022 – 9/30/2023), 241PA825Y8005 (10/01/2023 – 9/30/2024), 241PA825Y8105 (10/01/2023 – 9/30/2024), S18AF20004 (11/01/2017 – 10/31/2025), S19AF20004 (12/01/2018 – 11/30/2025), S21AF10015 (1/01/2021 – 12/31/2023), S22AF00017 (1/01/2022 – 12/31/2024), S23AF00002 (11/01/2022 – 10/31/2027), TN75GJE1S7G3 (3/03/2021 – 12/31/2024), S425W210039 (4/23/2021 – 9/30/2024), S425U210028 (3/24/2021 – 9/30/2024), S425D210028 (1/05/2021 – 9/30/2024), S425C200013 (5/18/2020 – 4/01/2024), S425R210037 (3/13/2020 – 9/30/2024), S425V210037 (11/16/2021 – 9/30/2024), S425C210013 (3/13/2020 – 9/30/2024), 2101PACMC6 (4/01/2021 – 9/30/2024), 2101PAHDC6 (4/01/2021 – 9/30/2024), 2101PAPHC6 (4/01/2021 – 9/30/2024), 2101PASSC6 (4/01/2021 – 9/30/2024), 2201PAOASS (10/01/2021 – 9/30/2023), 2201PASTPH (1/01/2022 – 9/30/2024), 2301PAOACM (10/01/2022 – 9/30/2024), 2301PAOAH (10/01/2022 – 9/30/2024), 2301PAOANS (10/01/2022 – 9/30/2024), 2301PAOASS (10/01/2022 – 9/30/2024), 2401PAOACM (10/01/2023 – 9/30/2025), 2401PAOAH (10/01/2023 – 9/30/2025), 2401PAOANS (10/01/2023 – 9/30/2025), 2401PAOASS (10/01/2023 – 9/30/2025), 2101PATANF (10/01/2020 – 9/30/2021), 2201PATANF (10/01/2021 – 9/30/2022), 2301PATANF (10/01/2022 – 9/30/2023), 2401PATANF (10/01/2023 – 9/30/2024), 2301PASOSR (10/01/2022 – 9/30/2024), 2401PASOSR (10/01/2023 – 9/30/2025), 2301PATANF (10/01/2022 – 9/30/2024), 2401PATANF (10/01/2023 – 9/30/2025)

Type of Finding: Significant Deficiency in Internal Control over Compliance, Other Matters for Abandoned Mine Land Reclamation (AMLR), Temporary Assistance for Needy Families, Coronavirus State and Local Fiscal Recovery Funds, and Social Services Block Grant

Material Weakness in Internal Control over Compliance, Material Noncompliance for Food Distribution Cluster, Education Stabilization Fund, and Aging Cluster

Compliance Requirement: Subrecipient Monitoring

Condition: Under the Commonwealth of Pennsylvania's (Commonwealth) implementation of the Single Audit Act, review and resolution of subrecipient Single Audit reports is split into two stages. The Office of the Budget's Bureau of Accounting and Financial Management (OB-BAFM) ensures the reports meet technical standards through a centralized desk review process. The various funding agencies in the Commonwealth are responsible for making a management decision on each finding within six months of the Federal Audit Clearinghouse's (FAC) Acceptance date for audits subject to Uniform Guidance and to ensure appropriate corrective action is taken by the subrecipient (except for Uniform Guidance

COMMONWEALTH OF PENNSYLVANIA

Federal Award Findings and Questioned Costs - June 30, 2024

Finding 2024 – 015: (continued)

audits under U.S. Department of Labor programs which are permitted 12 months for management decisions in accordance with 2 CFR Section 2900.21). Each Commonwealth agency is also responsible for reviewing financial information in each audit report to determine whether the audit included all pass-through funding provided by the agency to ensure pass-through funds were subject to audit. Most agencies meet this requirement by performing Schedule of Expenditures of Federal Awards (SEFA) reconciliations. The agency is also required to adjust Commonwealth records, if necessary.

Our fiscal year ended June 30, 2024 audit of the Commonwealth's process for review and resolution of subrecipient Single Audits included an evaluation of the Commonwealth's fiscal year ended June 30, 2023 subrecipient audit universe for audits due for submission to the FAC during the fiscal year ended June 30, 2024. We also evaluated the Commonwealth's review of 45 subrecipient audit reports with findings in major programs/clusters which were identified on the Commonwealth agencies' tracking lists during the fiscal year ended June 30, 2024 and required management decisions by Commonwealth agencies.

Our testing disclosed the following audit exceptions regarding the Commonwealth agencies' review of subrecipient audit reports:

- Pennsylvania Department of Aging (PDOA): Our testing disclosed that PDOA did not have procedures in place to track audit reports including having an audit tracking list. The time period for making a management decision on findings was approximately 17.6 months to over 18 months after the FAC Acceptance date for two out of two audit reports with findings. There was also a delay in PDOA's procedures to ensure the subrecipient SEFAs were accurate so that major programs were properly determined and subjected to audit.
- Department of Agriculture (PDA): Our testing disclosed that PDA did not have procedures in place to track audit reports including having an audit tracking list. The time period for making a management decision on findings was approximately 8.7 months to over 16 months after the FAC Acceptance date for four out of four audit reports with findings.
- Department of Education (PDE): The time period for making a management decision on findings was approximately 7.8 months to over 12 months after the FAC Acceptance date for seven out of 22 audit reports with findings. There were additional audit reports with findings listed on PDE's audit tracking list where management decisions were not made timely.
- Department of Environmental Protection (DEP): The time period for making a management decision on findings was approximately 11.6 months to over 12 months after the FAC Acceptance date for two out of two audit reports with findings. Our testing disclosed for the two late audit reports, DEP made management decisions timely. However, DEP did not notify the subrecipients of the management decisions within the required six month time period after the audit reports FAC Acceptance date.
- Department of Human Services (DHS): The time period for making a management decision on findings was approximately 7.2 months after the FAC Acceptance date for one out of two audit reports with findings. Our testing disclosed for the one late audit report DHS made a management decision timely. However, DHS did not notify the subrecipient of the management decision within the required six month time period after the audit reports FAC Acceptance date.

Criteria: 2 CFR §200.332, Requirements for pass-through entities, states in part:

All pass-through entities must:

(d) Monitor the activities of the subrecipient as necessary to ensure that the subaward is used for authorized purposes, in compliance with Federal statutes, regulations, and the terms and conditions of the subaward, and that subaward performance goals are achieved. Pass-through entity monitoring of the subrecipient must include:

COMMONWEALTH OF PENNSYLVANIA

Federal Award Findings and Questioned Costs - June 30, 2024

Finding 2024 – 015: (continued)

(2) *Following-up and ensuring that the subrecipient takes timely and appropriate action on all deficiencies pertaining to the Federal award provided to the subrecipient from the pass-through entity detected through audits, on-site reviews, and written confirmation from the subrecipient, highlighting the status of actions planned or taken to address Single Audit findings related to the particular subaward.*

(3) *Issuing a management decision for applicable audit findings pertaining only to the Federal award provided to the subrecipient from the pass-through entity as required by §200.521 [Management decision].*

(f) *Verify that every subrecipient is audited as required by Subpart F [Audit Requirements] of this part when it is expected that the subrecipient's Federal awards expended during the respective fiscal year equaled or exceeded the threshold set forth in §200.501 [Audit requirements].*

(g) *Consider whether the results of the subrecipient's audit, on-site review, or other monitoring indicate conditions that necessitate adjustments to the pass-through entity's own records.*

(h) *Consider taking enforcement action against noncompliant subrecipients as described in §200.339 [Remedies for noncompliance] of this part and in program regulations.*

In order to carry out these responsibilities properly, good internal control dictates that state pass-through agencies ensure subrecipient Single Audit SEFAs are representative of state payment records each year, and that the related federal programs have been properly subjected to Single Audit procedures.

2 CFR §200.512, Report submission, states in part:

(a) *General. (1) The audit must be completed and the data collection form described in paragraph (b) of this section and reporting package described in paragraph (c) of this section must be submitted within the earlier of 30 calendar days after receipt of the auditor's report(s), or nine months after the end of the audit period. If the due date falls on a Saturday, Sunday, or Federal holiday, the reporting package is due the next business day.*

2 CFR §200.521, Management decision, states in part:

(a) *General. The management decision must clearly state whether or not the finding is sustained, the reasons for the decision, and the expected auditee action to repay disallowed costs, make financial adjustments, or take other action.*

(d) *Time requirements. The Federal awarding agency or pass-through entity responsible for issuing a management decision must do so within six months of acceptance of the audit report by the FAC. The auditee must initiate and proceed with corrective action as rapidly as possible and corrective action should begin no later than upon receipt of the audit report.*

2 CFR §200.505, Sanctions, states:

In cases of continued inability or unwillingness to have an audit conducted in accordance with this part, Federal agencies and pass-through entities must take appropriate action as provided in §200.339 [Remedies for noncompliance].

2 CFR §200.339, Remedies for noncompliance, states in part:

If a non-Federal entity fails to comply with the U.S. Constitution, Federal statutes, regulations or the terms and conditions of a Federal award, the Federal awarding agency or pass-through entity may impose additional conditions, as described in §200.208 [Specific conditions]. If the Federal awarding agency or pass-through entity determines that noncompliance cannot be remedied by imposing additional conditions, the federal awarding agency or pass-through entity may take one or more of the following actions, as appropriate in the circumstances.

COMMONWEALTH OF PENNSYLVANIA

Federal Award Findings and Questioned Costs - June 30, 2024

Finding 2024 – 015: (continued)

(a) Temporarily withhold cash payments pending correction of the deficiency by the non-Federal entity or more severe enforcement action by the Federal awarding agency or pass-through entity.

(b) Disallow (that is, deny both use of funds and any applicable matching credit for) all or part of the cost of the activity or action not in compliance.

(c) Wholly or partly suspend or terminate the Federal award.

(d) Initiate suspension or debarment proceedings as authorized under 2 CFR Part 180 and Federal awarding agency regulations (or in the case of a pass-through entity, recommend such a proceeding be initiated by a Federal awarding agency).

(e) Withhold further Federal awards for the project or program.

(f) Take other remedies that may be legally available.

To ensure Commonwealth enforcement of federal regulations for subrecipient noncompliance with audit requirements, Commonwealth Management Directive 325.08, Amended – *Remedies for Recipient Noncompliance with Audit Requirements*, Section 5 related to policy, states in part:

(a) Agencies must develop and implement remedial action that reflects the unique requirements of each program...

(b) The remedial action should be implemented within six months from the date the first remedial action is initiated. At the end of the six-month period, the recipient should take the appropriate corrective action or the final stage of remedial action should be imposed on the recipient. Examples of remedial action include, but are not limited to:

(1) Meeting or calling the recipient to explain the importance and benefits of the audit and audit resolution processes, emphasizing the value of the audit as an administrative tool and the Commonwealth's reliance on an acceptable audit and prompt resolution as evidence of the recipient's ability to properly administer the program.

(2) Encouraging the entity to establish an audit committee or designate an individual as the single point of contact to:

(a) Communicate regarding the audit.

(b) Arrange for and oversee the audit.

(c) Direct and monitor audit resolution.

(3) Providing technical assistance to the recipient in devising and implementing an appropriate plan to remedy the noncompliance.

(4) Withholding a portion of assistance payments until the noncompliance is resolved.

(5) Withholding or disallowing overhead costs until the noncompliance is resolved.

(6) Suspending the assistance agreement until the noncompliance is resolved.

(7) Terminating the assistance agreement with the recipient and, if necessary, seeking alternative entities to administer the program.

COMMONWEALTH OF PENNSYLVANIA

Federal Award Findings and Questioned Costs - June 30, 2024

Finding 2024 – 015: (continued)

Management Directive 325.09, Amended – *Processing Subrecipient Single Audits of Federal Pass-Through Funds*, Section 7 related to procedures, states in part:

c. Agencies.

- (2) *Evaluate single audit report submissions received from BAFM to determine program purpose acceptability by verifying, at a minimum, that all agency-funded programs are properly included on the applicable financial schedules; that findings affecting the agency contain sufficient information to facilitate a management decision; and that the subrecipient has submitted an adequate corrective action plan.*
- (5) *Issue management decisions relative to audit findings and crosscutting findings assigned to the agency for resolution, as required by 2 CFR §200.521. If responsible for the resolution of crosscutting findings, notify the affected agency or agencies upon resolution of such findings.*
- (6) *Impose or coordinate the imposition of remedial action in accordance with 2 CFR Part 200.339 and Management Directive 325.08 Amended, Remedies for Recipient Noncompliance with Audit Requirements, when subrecipients fail to comply with the provisions of Subpart F.*

Management Directive 325.12, Amended – *Standards for Enterprise Risk Management in Commonwealth Agencies*, adopted the internal control framework outlined in the United States Government Accountability Office's, *Standards for Internal Control in the Federal Government (Green Book)*. The Green Book states in part:

Management should establish and operate monitoring activities to monitor the internal control system and evaluate the results. Management should remediate identified internal control deficiencies on a timely basis.

Cause: One reason provided by Commonwealth management for untimely audit resolution in the various agencies, including making management decisions, approving corrective action, and performing procedures to ensure the accuracy of subrecipient SEFAs, was either a change in staff or a lack of staff to follow up and process subrecipient audit reports more timely.

Effect: Since required management decisions were not made within six months to ensure appropriate corrective action was taken on audits received from subrecipients, the Commonwealth did not comply with federal regulations, and subrecipients were not made aware of acceptance or rejection of corrective action plans in a timely manner. Further, noncompliance may recur in future periods if control deficiencies are not corrected on a timely basis, and there is an increased risk of unallowable charges being made to federal programs if corrective action and recovery of questioned costs is not timely.

Regarding the SEFA reviews or alternate procedures which are not being performed timely, there is an increased risk that subrecipients could be mispending and/or inappropriately tracking and reporting federal funds over multiple year periods, and these discrepancies may not be properly monitored, detected, and corrected by agency personnel on a timely basis as required.

Recommendation: We recommend that the above weaknesses that cause untimely subrecipient Single Audit resolution, including untimely management decisions on findings, and untimely review of the SEFA or alternate procedures be corrected to ensure compliance with federal requirements and Commonwealth Management Directives, and to better ensure timelier subrecipient compliance with program requirements.

PDOA Response: PDOA agrees with the finding.

PDA Response: PDA agrees with the finding.

PDE Response: PDE agrees with the finding.

DEP Response: DEP agrees with the finding.

COMMONWEALTH OF PENNSYLVANIA

Federal Award Findings and Questioned Costs - June 30, 2024

Finding 2024 – 015: (continued)

DHS Response: DHS agrees that there was an exception where human error caused a management decision on one single audit report to be issued untimely; in this instance, the decision itself was made timely but was not communicated in a timely manner. DHS disagrees that an isolated incident due to human error signifies a weakness in internal controls. This was not a systemic issue and therefore should not have been considered a significant deficiency in internal controls, and DHS should not have been included in this finding.

Auditors' Conclusion: The agency responses from PDOA, PDA, PDE, and DEP indicate agreement with the finding.

DHS agrees that an error occurred resulting in untimely submission of one management decision, DHS disagrees that the error represents a significant deficiency. We acknowledge the error occurred due to an oversight and is not a systemic error, however, the error resulted in noncompliance with one of two audit reports that required timely management decisions. We will evaluate corrective action in the subsequent audit. The finding remains as stated.

Questioned Costs: The amount of questioned costs cannot be determined.

The corrective action plan for this finding, if any, has not been reviewed by the auditors. See Corrective Action Plans located elsewhere in this Report.

Management's Summary Schedule of Prior Audit Findings



Commonwealth of Pennsylvania



COMMONWEALTH OF PENNSYLVANIA
OFFICE OF THE GOVERNOR

URI Z. MONSON
SECRETARY
GOVERNOR'S OFFICE OF THE BUDGET

Summary Schedule of Prior Audit Findings - June 30, 2024

Finding State Agency/Finding Title/Comments

FINDINGS FOR THE YEAR ENDED JUNE 30, 2023:

(Please see Corrective Action Plan Schedule for planned corrective actions for any current year repeat findings.)

FINANCIAL STATEMENT FINDINGS

STATEWIDE (SW)

2023-001 Information Technology General Controls Need Improvement (Similar Conditions Were Noted in Prior Year Findings 2022-001 and 2022-003)

RFP proposals for regulatory and claims processes were received and are still in the procurement process. System management backups have been put in place. OA enterprise roll out of privileged user management and GSI fully hosting data center environment is expected in Summer 2025.

FEDERAL PROGRAM FINDINGS

DEPARTMENT OF AGING (PDOA)

2023-002 A Material Weakness and Material Noncompliance Exist in the Department of Aging's Maintenance of Effort Certification Reporting Process

Corrective action was taken.

2023-003 A Material Weakness and Material Noncompliance Exist in the Department of Aging Related to Subrecipient Monitoring

A new element in the Comprehensive Aging Performance Evaluation (CAPE) Monitoring launched in April of 2024 to monitor timely reporting submissions. The Fiscal Management Specialist II started June 10, 2024, with an updated position description to reflect the following actions be taken through a risk assessment tool: Perform risk based during-the-award monitoring procedures for all Aging Cluster subrecipients to ensure timely compliance with all applicable federal regulations. Responsibilities include but are not limited to: Coordinating emails, conducting on-site or virtual risk assessments, and reporting the conclusions reached as a result; submit written documentation and samples of unresolved patterns of noncompliance to supervisor for submission to the Finance Director; evaluate each subrecipient's risk of noncompliance to proactively address any weaknesses in internal controls over federal programs; and assess program performance and implement corrective action to ensure optimum results. The newly anticipated completion date is January 2025.

COMMONWEALTH OF PENNSYLVANIA

Summary Schedule of Prior Audit Findings - June 30, 2024

Finding State Agency/Finding Title/Comments

DEPARTMENT OF AGRICULTURE (PDA)

2023-004 Controls Over the Accountability of Donated Foods Need Improvement (A Similar Condition Was Noted in Prior Year Finding 2022-010)

PDA sent email communication to select commodity processors and brokers reiterating the process for submitting Monthly Processing Reports (MPRs) to BFA and reminding them of their responsibility to provide prompt responses should questions arise. The Commodity Inventory Report was corrected. Cross-trained additional staff on the process of completing the monthly Commodity Inventory Report. The finding repeated due to the timing of the CAP.

2023-005 A Significant Deficiency and Noncompliance Exist in Pennsylvania Department of Agriculture Monitoring of Food Distribution Cluster Subrecipients

PDA developed a mechanism to track the reviews of all 16 lead subrecipient agencies for CSFP. The tracking will help to ensure the CSFP monitoring reviews are scheduled and completed timely. The finding repeated due to the timing of the CAP.

DEPARTMENT OF CORRECTIONS (DOC)

2023-006 A Material Weakness and Material Noncompliance Exist at the Department of Corrections Related to the Review of Opioid Medication Costs

Corrective action was taken.

DEPARTMENT OF DRUG AND ALCOHOL PROGRAMS (DDAP)

2023-007 A Significant Deficiency and Noncompliance Exist at the Department of Drug and Alcohol Programs Related to Submission of Performance Progress Reports

Corrective action was taken.

DEPARTMENT OF EDUCATION (PDE)

2023-008 A Significant Deficiency and Noncompliance Exist in Pennsylvania Department of Education Monitoring of Child and Adult Care Food Program Subrecipients

Corrective action was taken.

2023-009 A Significant Deficiency and Noncompliance Exist in the Review and Approval of Subrecipient Education Leading to Employment and Career Training Expenditure Reports by the Pennsylvania Department of Education

Corrective action was taken.

DEPARTMENT OF ENVIRONMENTAL PROTECTION (DEP)

2023-010 A Material Weakness and Material Noncompliance Exist at the Department of Environmental Protection Related to Subrecipient Monitoring (A Similar Condition Was Noted in Prior Year Finding 2022-005)

Corrective action was taken.

2023-011 A Material Weakness and Material Noncompliance Exist at the Department of Environmental Protection Related to Cash Management of Federal Funds

Corrective action was taken.

COMMONWEALTH OF PENNSYLVANIA

Summary Schedule of Prior Audit Findings - June 30, 2024

Finding State Agency/Finding Title/Comments

DEPARTMENT OF HUMAN SERVICES (DHS)

- 2023-012 A Material Weakness and Material Noncompliance Exist at the Department of Human Services Related to Electronic Benefits Transfer Card Security (A Similar Condition Was Noted in Prior Year Finding 2022-006)
- The Bureau of Program Evaluation, Division of Corrective Action will begin their next review cycle in October 2024; the rest of the CAP is complete.
- 2023-013 A Significant Deficiency and Noncompliance Exist Over the Preparation and Submission of the ACF-204 and ACF-196P Reports
- Corrective action was taken.
- 2023-014 Department of Human Services Did Not Validate Financial Information as Part of Its On-Site Monitoring of Temporary Assistance for Needy Families Subrecipients (A Similar Condition Was Noted in Prior Year Finding 2022-008)
- OIM is continuing to research monitoring options. The CAP is complete for OPD. OIM CAP is on track for the anticipated completion date.
- 2023-015 A Material Weakness and Material Noncompliance Exist in the Department of Human Services' Program Monitoring of the Social Services Block Grant Subrecipients
- The CAP is complete for OA. For OPD, the risk assessments have been completed, and monitoring is ongoing. CAP is on track for the anticipated completion date.
- 2023-016 A Significant Deficiency and Noncompliance Exist at the Department of Human Services Related to the Medicaid National Correct Coding Initiative (A Similar Condition Was Noted in Prior Year Finding 2022-009)
- Corrective action was taken.

OFFICE OF ADMINISTRATION, OFFICE FOR INFORMATION TECHNOLOGY (OA-OIT) & DEPARTMENT OF LABOR AND INDUSTRY (L&I)

- 2023-017 Inappropriate Privileged Access Granted to Program Personnel
- Corrective action was taken.

DEPARTMENT OF LABOR AND INDUSTRY (L&I)

- 2023-018 A Significant Deficiency and Noncompliance Exist in the Department of Labor and Industry's Procedures Related to Period of Performance Requirements
- Corrective action was taken.

DEPARTMENT OF LABOR AND INDUSTRY (L&I) & OFFICE OF THE BUDGET (OB)

- 2023-019 A Significant Deficiency and Noncompliance Exist Related to the Preparation and Submission of the Quarterly RSA-17 Report
- Corrective action was taken.

COMMONWEALTH OF PENNSYLVANIA

Summary Schedule of Prior Audit Findings - June 30, 2024

Finding State Agency/Finding Title/Comments

OFFICE OF THE BUDGET (OB)

2023-020 A Significant Deficiency and Noncompliance Exist at the Governor's Budget Office Related to the Quarterly Project and Expenditure Report

OB- BO worked with PEMA to create a survey to request additional capital expenditure information from the grant's beneficiaries. The survey responses have been collated, and will be included, along with additional information from the agency pertaining to the capital project explanation and the capital project type in the 6/30/2024 quarterly report. The other two issues were corrected in quarterly filings. CAP is on track for the anticipated completion date.

2023-021 A Material Weakness and Material Noncompliance Exist Over the Preparation and Submission of the Quarterly ACF-196R Reports

Corrective action was taken.

2023-022 A Significant Deficiency and Noncompliance Exist in the Commonwealth's FFATA Reporting Process (A Similar Condition Was Noted in Prior Year Finding 2022-012)

Corrective action was taken.

STATEWIDE (SW)

2023-023 State Agencies Did Not Identify the Federal Award Information and Applicable Requirements at the Time of the Subaward and Did Not Evaluate Each Subrecipient's Risk of Noncompliance as Required by the Uniform Grant Guidance (A Similar Condition Was Noted in Prior Year Finding 2022-013)

PDE took corrective action.

DHS, OCYF will include this required award information for Foster Care in the FY 24-25 allocation letters. The risk assessment for Foster Care will be completed during FY 24-25. For OPD (TANF and SSBG), the risk assessments have been completed and monitoring is ongoing. CAP is on track for the anticipated completion date.

DOH has drafted the job descriptions for the monitoring division and they are in review. CAP is on track for anticipated completion.

PDA sent out the required information to all current TEFAP award recipients and will include it with the next agreements. PDA is developing a process to evaluate each subrecipient's risk of noncompliance with Federal statutes, regulations, and the terms and conditions of the subaward for purposes of determining the appropriate subrecipient monitoring. The evaluation will be based on key performance Indicators, such as leadership tenure; prior incidents of food spoilage; or qualitative feedback from clients served. If the evaluation determines that additional monitoring tools beyond the routine performance of on-site reviews of the subrecipient's program operations are necessary, such conditions will be laid out in a separate communication to the entity. The newly anticipated completion date is May 31, 2025.

COMMONWEALTH OF PENNSYLVANIA

Summary Schedule of Prior Audit Findings - June 30, 2024

Finding State Agency/Finding Title/Comments

STATEWIDE (SW) (continued)

2023-023 (cont'd) PDOA, with the use of a monitoring log, plans to perform risk assessments systemically statewide for all Aging Cluster subrecipients effective for fiscal year starting July 1, 2024. Accordingly, a risk assessment is being developed to evaluate each subrecipient's risk of noncompliance to proactively address any weaknesses in internal controls over Federal programs. The new element in the CAPE pilot to monitor timely reporting submissions has proven successful for three piloted Area Agencies on Aging. Performance Check-Ins launched in April of 2024 as part of a Statewide Comprehensive Monitoring as a new form of regulatory measure. The Fiscal Management Specialist II started June 10, 2024, with a position description updated with Risk Assessment tasks. As a starting point, PDOA plans to prioritize the larger organizations which typically require more monitoring on an annual basis. Subrecipient monitoring is projected to occur for the Aging Cluster subrecipients to ensure timely compliance with all applicable federal regulations. This was confirmed as a current practice also within Phase VIII of fiscal monitoring and being taken into consideration of the draft of the Phase IX monitoring tool. PDOA recognizes time and insufficient staffing as a barrier to achieving the goal of performing a risk assessment for every AAA, but has set an expectation of reaching half at a minimum. The newly anticipated completion date is March 1, 2025.

2023-024 A Material Weakness and Material Noncompliance Exist in the Commonwealth's Subrecipient Audit Resolution Process (A Similar Condition Was Noted in Prior Year Finding 2022-014)

DOH took corrective action.

PDA created a new position to handle subrecipient audit reviews. A Fiscal Management Specialist 1 was added to our complement in June 2024. A requisition was submitted to HR and the position was posted. The newly anticipated completion date is June 30, 2025.

PDE implemented weekly, monthly and quarterly checks to ensure that all single audits are properly logged and processed. The finding repeated due to the timing of the CAP.

PDOA has established an audit tracking log. A separate tracking mechanism is in place to ensure the monitoring of subrecipient activities for compliance via the regional tracker of the Phase VIII Audits. A statement of work has been developed and submitted for internal approval since the Central Region Representative has been reassigned to assist with the new CAPE monitoring efforts statewide. A Fiscal Management Specialist II hired effective May 18, 2024, will develop and maintain a desk review monitoring program for AAA network financial audits to ensure the accuracy of the reported information and correction of audit findings. The newly anticipated completion date is March 1, 2025.

FINDINGS FOR THE YEAR ENDED JUNE 30, 2022:

FINANCIAL STATEMENT FINDINGS

STATEWIDE (SW)

2022-001 Information Technology General Controls Need Improvement (A Similar Condition Was Noted in Prior Year Finding 2021-001)

Refer to Finding 2023-001 for the status of this issue.

2022-003 Information Technology Control Weaknesses in the Unemployment Compensation and Pandemic Unemployment Assistance Systems (A Similar Condition Was Noted in Prior Year Finding 2021-002)

Refer to Finding 2023-001 for the status of this issue.

COMMONWEALTH OF PENNSYLVANIA

Summary Schedule of Prior Audit Findings - June 30, 2024

Finding State Agency/Finding Title/Comments

FEDERAL PROGRAM FINDINGS

DEPARTMENT OF ENVIRONMENTAL PROTECTION (DEP)

2022-005 A Material Weakness and Material Noncompliance Exist at the Department of Environmental Protection Related to Subrecipient Monitoring (A Similar Condition Was Noted in Prior Year Finding 2021-004)

Refer to Finding 2023-010 for the status of this issue.

DEPARTMENT OF HUMAN SERVICES (DHS)

2022-006 A Material Weakness and Material Noncompliance Exist at the Department of Human Services Related to Electronic Benefits Transfer Card Security (A Similar Condition Was Noted in Prior Year Finding 2021-005)

Refer to Finding 2023-012 for the status of this issue.

2022-008 The Department of Human Services did not validate financial information as Part of Its On-Site Monitoring of Temporary Assistance for Needy Families Subrecipients (A Similar Condition Was Noted in Prior Year Finding 2021-007)

Refer to Finding 2023-014 for the status of this issue.

2022-009 A Significant Deficiency and Noncompliance Exist at the Department of Human Services Related to the Medicaid National Correct Coding Initiative (A Similar Condition Was Noted in Prior Year Finding 2021-009)

Refer to Finding 2023-016 for the status of this issue.

OFFICE OF ADMINISTRATION, OFFICE FOR INFORMATION TECHNOLOGY (OA-OIT) & DEPARTMENT OF AGRICULTURE

2022-010 Controls Over Information Technology System Migration and Controls Over the Accountability of Donated Foods Need Improvement

Refer to Finding 2023-004 for the status of this issue.

OFFICE OF THE BUDGET (OB)

2022-012 A Material Weakness and Material Noncompliance Exist in the Commonwealth's FFATA Reporting Process

Refer to Finding 2023-022 for the status of this issue.

STATEWIDE (SW)

2022-013 State Agencies Did Not Identify the Federal Award Information and Applicable Requirements at the Time of the Subaward and Did Not Evaluate Each Subrecipient's Risk of Noncompliance as Required by the Uniform Grant Guidance (A Similar Condition Was Noted in Prior Year Finding 2021-014)

Refer to Finding 2023-023 for the status of this issue.

2022-014 A Material Weakness and Material Noncompliance Exist in the Commonwealth's Subrecipient Audit Resolution Process (A Similar Condition Was Noted in Prior Year Finding 2021-015)

Refer to Finding 2023-024 for the status of this issue.

THIS PAGE INTENTIONALLY LEFT BLANK

Management's Corrective Action Plans



Commonwealth of Pennsylvania



COMMONWEALTH OF PENNSYLVANIA
OFFICE OF THE GOVERNOR

URI MONSON
SECRETARY
GOVERNOR'S OFFICE OF THE BUDGET

Corrective Action Plans - June 30, 2024

Finding	Agency	Contact Person & Title	Finding Title/Corrective Action	Anticipated Completion Date
2024-001	OA-OIT	Jim Sipe, Chief Information Security Officer	<p>Information Technology General Controls Need Improvement (Similar Conditions Were Noted in Prior Year Finding 2023-001)</p> <p>OA-OIT and EBR will review the logical and technical controls in place to include the ability to segregate these roles. Where technically possible, OA-OIT and EBR will make the appropriate changes to reduce inherit risk.</p> <p>OA-OIT and OA-HR will assess the termination process and work toward a more expedited process for terminations.</p> <p>OA-OIT has active projects for Identity Access Management, Privileged Access Management, Active Directory review and Access Review Protocols. Management will establish periodic reviews of access as the projects progress.</p> <p>Management will review data migration procedures for third party activities and will determine if more rigorous reviews are needed for future initiatives.</p>	09/30/2025
	PLCB	Chris Kajder, Chief Information Security Officer	<p>To address this internal control deficiency, a specific privileged role was created with the necessary duty to approve retail inventory pricing updates coming from PLCB's ERP system and assigned it to the four IT employees charged with handling this task until the PCS system bug/defect can be resolved. Upon the new role assignment, their full administrator access was removed on 10/11/2024.</p> <p>PLCB Management will evaluate creating a process to grant temporary access to administrator roles in future situations where the minimum levels of access or permissions to perform duties cannot be granted; and require users granted temporary privileged access to maintain manual logs of their use of the special access and require management to review the use of these access rights.</p>	Completed

COMMONWEALTH OF PENNSYLVANIA

Corrective Action Plans - June 30, 2024

Finding	Agency	Contact Person & Title	Finding Title/Corrective Action	Anticipated Completion Date
2024-002	L&I	<p>Andrew Thomas, SWIF Director</p> <p>Andrew Glover, SWIF CFO</p>	<p>Enterprise-wide Risks Were Not Fully Considered During Implementation of a New Claims Management System Which Resulted in the Inability to Produce Timely Financial Reporting</p> <p>SWIF will review our policies and procedures for recording transactions to ensure they align with best practices for real-time data entry. We will conduct training sessions for staff on the importance of timely and accurate transaction recording throughout the life cycle. Where possible, we will utilize software or automated systems that flag unrecorded or delayed transactions to ensure timely entry. We will conduct audits to identify any gaps or delays in transaction recording and address them immediately. Issue: The monthly closing process is not always completed in a timely manner, impacting operations such as investment policy monitoring and issuance of the Annual Statement by the March 1 deadline.</p> <p>SWIF will continue working with Deloitte to resolve any remaining reporting issues that are delaying the monthly closing process. We will complete all 2024 monthly reports by June 2025, ensuring that any backlogs are addressed efficiently, and implement a detailed schedule for completing the 2024 Annual Statement by the end of June 2025. We will ensure that all monthly reports for 2025 are completed by the end of 2025, which will position SWIF to meet the March 1st, 2026 deadline for the 2025 Annual Report and all subsequent annual reports. Additionally, we will work with Deloitte to streamline the monthly closing process and minimize future delays, integrating any process improvements identified during the system upgrade.</p> <p>SWIF aims to complete all 2024 monthly financial reports by June 2025. After that, work to ensure the reports are fully accurate, complete, and consistent with prior periods, prioritizing transparency in the reporting process. We will establish review meetings with key stakeholders to assess the accuracy of completed reports and identify areas for improvement. We will focus on ensuring that the 2025 monthly reports are accurate and complete by the end of the year, positioning SWIF to meet the reporting requirements for 2026 and future annual reports.</p> <p>SWIF will update the Go/No-Go meeting procedures to ensure that a clear statement is added requiring that adequate financial reporting must be fully developed and tested before the system’s “Go Live.” We will work closely with Deloitte to ensure that all financial reporting requirements are addressed and thoroughly tested before system upgrades go live. This will include reviewing test cases and scenarios that ensure accurate financial reporting functionality.</p>	03/01/2026
	OA-OIT	Jim Sipe, Chief Info. Security Officer	The situation that occurred was not a breakdown of the control, rather a breakdown of communication across the agencies. Management will assess the communication protocols for future improvement.	09/30/2025

COMMONWEALTH OF PENNSYLVANIA

Corrective Action Plans - June 30, 2024

Finding	Agency	Contact Person & Title	Finding Title/Corrective Action	Anticipated Completion Date
2024-002 (cont'd)	OB	Andrew Cameron, BAFM Assistant Director, Financial Reporting Division	In January 2025, the Office of the Budget, Office of Comptroller Operations received the necessary approval to create an Enterprise Risk Management Office (ERMO). The goal of the ERMO is to refine Management Directive 325.12 – Standards for Enterprise Risk Management in Commonwealth Agencies, to ensure that the Commonwealth is addressing risks at an enterprise level in a centralized, holistic approach rather than independently within separate state agencies. ERMO personnel will compile data which will drive decisions on budgetary needs, IT security, fraud resources, strategic initiatives, continuous improvement, and potential audits. The team will also focus on collaboration, training, policy and legislative development and enhancing governance and accountability, with respect to internal controls, and fraud. The Office of Comptroller Operations is in the process of filling the Chief Risk Officer vacancy, now that the ERMO has been established.	06/30/2025
2024-003	PDOA	Jennifer Cave, Fiscal Management Specialist, PDOA Audit Liaison	<p>A Material Weakness and Material Noncompliance Exist in the Department of Aging Related to Subrecipient Monitoring (A Similar Condition Was Noted in Prior Year Finding 2023-003)</p> <p>A new monitoring component, consisting of fifteen measurable elements, has been developed to actively monitor compliance of the 52 Area Agencies on Aging (AAA) subrecipients through a revised Phase IX monitoring tool. The revised tool, used by three (3) Fiscal Field Representatives, includes questions regarding invoice verification, on-site monitoring, and checks that the monitoring tool the AAAs utilize adheres to all requirements. Citation documents point to the specific Chapter and Section of the Aging Service Policy and Procedure Manual for ease of reference.</p> <ol style="list-style-type: none"> 1. Recognizing the need to formally document the process of monitoring, PDOA has drafted a AAA Fiscal Monitoring process map. 2. Actively working with Deloitte Consulting to finalize the process map with additional input by the Fiscal Field Representatives responsible for executing the annual requirement. 3. With the use of a monitoring log, PDOA has been working with the AAAs to correct reporting in preparation of the next round of monitoring. 4. A risk assessment has been developed to evaluate each subrecipient’s risk of noncompliance to proactively address any weaknesses in internal controls over Federal programs. 5. Pointed questions regarding the organization are included to gauge management’s ability to follow all terms and conditions of the contract. 6. General policies will be reviewed for adherence to all Federal and State regulations and the 	06/30/2025

COMMONWEALTH OF PENNSYLVANIA

Corrective Action Plans - June 30, 2024

Finding	Agency	Contact Person & Title	Finding Title/Corrective Action	Anticipated Completion Date
<p>2024-003 (cont'd)</p>			<p>competence of personnel administering the programs.</p> <p>7. Since multiple Federal funding streams are involved, a fiscal component will also be administered to review internal controls for financial issues.</p> <p>8. The Risk Assessment tool has been distributed across the entire AAA Network and evaluations have been completed.</p> <p>9. Performance Improvement Plans have been distributed to those found not in compliance.</p> <p>10. The Comprehensive Aging Performance Evaluation (CAPE) is a new approach to PDOA’s evaluation of aging services provided by AAAs. It includes a review of programs such as Caregiver Support, OPTIONS, and Protective Services. A fiscal component is now included in the review which includes key fiscal performance measures. Part of the fiscal review is conducted virtually to evaluate the performance measures that can’t be completed off-site.</p> <p>11. Performance Check-Ins previously launched in April 2024 as part of a Statewide Comprehensive Monitoring as a new form of regulatory measure to observe compliance with Older Adults Protective Services Act (OAPSA, 35 P.S. §§10225.101, et seq.), related 6 Pa. Code Chapter 15. regulations, and OAPSA Documentation Procedure Manual, Aging & Disability (A&D). Specific Fiscal components will relate to APD 05-01-09, APD 24-01-01, and the Cooperative Block Grant 2021-25 Agreement.</p> <p>12. Despite PDOA recognizing time and insufficient staffing as a barrier to achieving the goal of performing a risk assessment for every AAA, we have surpassed our expectation of reaching half at a minimum by conducting a full assessment of all 52.</p> <p>13. Follow-up procedures resulting from this finding will be reviewed and adjusted as needed to deliver optimal outcomes. Preliminary procedures will be directed to the agency’s audit review committee for resolution of completeness.</p> <p>14. In the event the audit review committee determines additional steps beyond the monitoring efforts outlined above are insufficient, additional efforts will be communicated to the AAA network.</p>	

COMMONWEALTH OF PENNSYLVANIA

Corrective Action Plans - June 30, 2024

Finding	Agency	Contact Person & Title	Finding Title/Corrective Action	Anticipated Completion Date
2024-004	PDA	Caryn Long Earl, Director, Bureau of Food Assistance	<p>Controls Over the Accountability of Donated Foods Need Improvement (A Similar Condition Was Noted in Prior Year Finding 2023-004)</p> <p>PDA, Bureau of Food Assistance (BFA) has already or will put the following steps in place to address this deficiency and noncompliance finding.</p> <ol style="list-style-type: none"> 1. BFA will communicate to our contractor, Hunger-Free Pennsylvania, that all required uploads of information related to the Commodity Supplemental Food Program (CSFP) must be entered in PAMeals by the final day of the month following the program month (i.e., data from May must be entered by June 30, data from June must be entered by July 31, etc.). BFA will also implement a monthly check in PAMeals to occur on the 1st of each month, to ensure that data from the previous reporting period has been entered into PAMeals timely (i.e., data from May should be entered by July 1, data from June should be entered by August 1, etc.). 2. In response to finding 2023-004, BFA cross-trained the NSLP Specialist on the process of completing the Monthly Processor Reports (MPRs) as a back up to the NSLP Processing & Procurement Specialist. The NSLP Specialist was then tasked with completing a monthly review of the completed MPRs to ensure accuracy. BFA has now added an additional layer to the process, with the Assistant Bureau Director serving as a backup to the NSLP Specialist, to ensure that should there be a vacancy in either of the two NSLP positions, there will always be a primary and a back-up to ensure accuracy. 3. BFA will add a validation step to the Distributor data import process for PAMeals to flag and disallow any transactions that are dated prior to the current fiscal year. BFA will also put in place a warning system on PAMeals to flag incorrect dates in any manual adjustments. 4. To ensure that processor inventories are accurate, BFA has programmed PAMeals to run a weekly check (on Sunday) to ensure that beginning processor inventories entered match the previous month and to ensure that ending inventories are accurate. BFA staff are also completing a 6-month periodic processor inventory review to ensure that records are accurate. 5. To ensure correct and timely data submissions from Share Food Program, one of our two contract distributors, PDA will require them to implement a corrective action plan detailing their plans to ensure that they provide timely and accurate reporting. This CAP will help to ensure that correct transactions are posted to PAMeals in a timely manner and will aid in addressing the issues with SEFA submission. 	<p>06/30/2025</p> <p>Completed</p> <p>06/30/2025</p> <p>Completed</p> <p>06/30/2025</p>

COMMONWEALTH OF PENNSYLVANIA

Corrective Action Plans - June 30, 2024

Finding	Agency	Contact Person & Title	Finding Title/Corrective Action	Anticipated Completion Date
2024-005	PDA	Caryn Long Earl, Director, Bureau of Food Assistance	<p>A Significant Deficiency and Noncompliance Exist in Pennsylvania Department of Agriculture Monitoring of Food Distribution Cluster Subrecipients (A Similar Condition Was Noted in Prior Year Finding 2023-005)</p> <p>PDA, BFA has already or will put the following steps in place to address this deficiency and noncompliance finding.</p> <ol style="list-style-type: none"> 1. Upon identification of this finding, BFA directed our Field Representatives to immediately complete reviews of the 47 identified soup kitchens. As of 2/20/25, 18 of these soup kitchen reviews have been completed and 8 of these reviews are in-process or pending final review approval. 2. BFA Field Representatives have been advised that Soup Kitchen reviews must be completed once every four years, just like other TEFAP agencies with which we have direct agreements. This requirement is also being added to the Field Representative work manual. 	06/30/2025
2024-006	DOH	Steven Marsden, Audit Resolution Manager Andrea Race, Chief Financial Officer	<p>A Significant Deficiency and Noncompliance Exist at the Department of Health Related to Activities Allowed or Unallowed, Allowable Costs/Costs Principles</p> <ol style="list-style-type: none"> 1. All offices will ensure timely and effective communication. The WIC Finance staff will meet with Budget Office (BO) Analysts monthly to review SAP forms, expenditure adjustments, Grant Status Reports and other fiscal items for accuracy and action. Program, budget and comptroller staff will meet at least quarterly to review expenditures, processes and needed actions for federal grants. BO and program office staff have agreed to the following verbally: Program staff will submit a final federal report three months after the end of the grant period. Program staff will monitor all active federal grant internal orders paying careful attention to expenditures that post after the close of federal grant budget period. If there is a late expenditure, program staff will revise the final report and submit it to the DOH BO for review using the BO workflow. The DOH BO will also monitor all active internal order numbers and alert the program office of any unusual transactions. The DOH BO will inform the program office of unusual transactions and add them to regular meeting agendas for further discussion and planning. DOH will create a bulletin to outline federal grant management policies and procedures and disseminate to all DOH program offices. 2. BO staff that made the error were notified and counseled on ways to minimize errors. BO shall update the workflow and expenditure adjustment instructions in coordination with the program office. 3. The credit was largely due to overcharges of costs for a Software License Agreement that was not allowed to be charged to the grant. The IT staff that initiated the overcharge and directed the program 	05/31/2025

COMMONWEALTH OF PENNSYLVANIA

Corrective Action Plans - June 30, 2024

Finding	Agency	Contact Person & Title	Finding Title/Corrective Action	Anticipated Completion Date
2024-006 (cont'd)			office to make the adjustment has been counseled on policy and procedures for charging expenditures to a federal source. All fiscal transactions for IT expenditures are reviewed by program staff as well as BO staff via the BO workflow. Policies and procedures specific to IT expenditures charged to a federal fund will be reviewed and updated to ensure information and instructions are robust and clear. Updated policies and procedures will be disseminated to all DOH staff with a responsibility in the process.	
2024-007	DHS	<p>Jeanette Coulston, Staff Assistant to Director of Bureau of Operations</p> <p>Tonya Holloway, Division Director</p>	<p>A Material Weakness and Material Noncompliance Exist at the Department of Human Services Related to Electronic Benefits Transfer Card Security (A Similar Condition Was Noted in Prior Year Finding 2023-012)</p> <p><u>Office of Income Maintenance (OIM) Bureau of Operations (BOO):</u> BOO will take the following actions to address the finding:</p> <ol style="list-style-type: none"> 1. All CAOs and district offices will be reminded of the EBT Coordinators', alternates', pinners', and card makers' responsibilities. The BOO will ensure users in the EBT Card Tracking Database know their responsibilities and segregation of duties. 2. The BOO will ensure offices know EBT cards are only to be made during business hours. BOO will work with the EBT Project Office to update the OIM EBT Procedure Manual for clarification. This will occur by April 1, 2025. 3. All CAOs and district offices will be reminded to update the EBT card tracking database within 24 hours of an individual's status change. Clarification will be sent to the Area Managers to distribute to staff. This will occur by April 1, 2025. 4. All EBT Coordinators will be reminded to review the updates/changes to the OIM EBT Procedure Manual quarterly. <p><u>OIM Bureau of Program Support (BPS)/EBT Project Office:</u> BPS will take the following actions to address the finding:</p> <ol style="list-style-type: none"> 1. The EBT Project Office will provide clarification and make updates to the OIM EBT Procedure Manual, in the Staff Security Section, for removing individuals from the EBT card tracking database. The updates will include screenshots for easier comprehension. This is expected to be completed by April 1, 2025. 2. The EBT Project Office will make updates to the OIM EBT Procedure Manual, in the EBT Security 	<p>04/01/2025</p> <p>04/01/2025</p>

COMMONWEALTH OF PENNSYLVANIA

Corrective Action Plans - June 30, 2024

Finding	Agency	Contact Person & Title	Finding Title/Corrective Action	Anticipated Completion Date
2024-007 (cont'd)		Amira S. Milikin, Division Director	<p>for Over the Counter (OTC) Card Mailing Section, to include “CAOs should not print OTC EBT Cards outside of normal business hours”. This is expected to be completed by April 1, 2025.</p> <p>3. The OIM EBT Procedure Manual is updated quarterly. An email notification is sent to all EBT Coordinators, via a distribution list, notifying them of the updates/changes. This is expected to be completed by April 1, 2025.</p> <p><u>OIM Bureau of Program Evaluation (BPE)/Division of Corrective Action (DCA)</u>: BPE will take the following actions to address the finding:</p> <p>The Bureau of Program Evaluation, Division of Corrective Action conducts EBT Card Security reviews at every CAO and District Office that issues EBT cards. These reviews are completed on a three-year rotation to ensure compliance in the execution of documented policies and procedures. When needed, BPE/DCA will adjust the review criteria to incorporate any procedural changes implemented in the OIM EBT Procedure Manual. Annually, BPE/DCA EBT Headquarters staff provide training to DCA Income Maintenance Examiners in both field offices, to ensure awareness of any policy or procedure changes, prior to the start of the EBT reviews. The current rotation schedule spans FFY 2025- FFY 2027. The new three-year schedule began October 2024.</p>	Completed
2024-008	DHS	Kelly Graham, Director, Division of Financial Policy and Operations	<p>A Material Weakness and Material Noncompliance Exist in the Department of Human Services’ Program Monitoring of the Social Services Block Grant Subrecipients (A Similar Condition Was Noted in Prior Year Finding 2023-015)</p> <p>Office of Administration (OA) – SSBG: The Bureau of Financial Operations (BFO) will continue conducting during-the-award subrecipient monitoring for the SSBG based on the results of the documented risk assessment. As it relates to the cash management portion of the finding, given the relatively small amount of funds involved and the number of counties affected, DHS has determined that it is not economically feasible to change the payment methodology at this time.</p>	06/30/2025
2024-009	DHS	Joel O’Donnell,	<p>Department of Human Services Did Not Validate Financial Information as Part of Its On-Site Monitoring and the Department of Labor and Industry Did Not Perform Monitoring of Temporary Assistance for Needy Families Subrecipients (A Similar Condition Was Noted in Prior Year Finding 2023-014)</p> <p><u>New Directions, Cash Grants</u> The DHS Office of Income Maintenance (OIM) has implemented fiscal onsite monitoring starting</p>	06/30/2025

COMMONWEALTH OF PENNSYLVANIA

Corrective Action Plans - June 30, 2024

Finding	Agency	Contact Person & Title	Finding Title/Corrective Action	Anticipated Completion Date
2024-009 (cont'd)		Dir., Bureau of Prog. Support, OIM Louie Marven, Executive Policy Specialist, OPD	October 1, 2024, which will be part of its regular program monitoring going forward. <u>Alternatives to Abortion</u> Despite repeated attempts and efforts by the DHS Office of Policy Development (OPD) to engage this subrecipient in monitoring activities, they were uncooperative and unresponsive to the requests and therefore regular monitoring was not completed. Effective December 31, 2023, the grant agreement with this subrecipient ended and was not renewed.	Completed
	L&I	Dorraine Rauch, Division Chief	TANF Youth Development Program (TANF YDP) operations transitioned from the Bureau of Workforce Development Administration (BWDA) to the Bureau of Workforce Partnerships and Operations (BWPO) in January 2023. Due to this transition, BWPO did not conduct on-site monitoring of the TANF YDP program in program year 2023. BWPO did begin onsite monitoring in program year 2024 on a limited basis as a pilot with 3 local areas in September of 2024. BWPO plans to expand monitoring efforts in 2025 by aligning TANF YDP monitoring with the onsite WIOA Data Validation schedule. Larger areas will be monitored annually with smaller areas monitored on a 3-year rotating schedule concurrent with WIOA Data Validation which is expected to commence late summer or early fall 2025. BWPO intends to also facilitate exit meetings with each area monitored and provide a written communication within 45 days post monitoring to issue results, concerns, recommendations, and corrective actions as needed. The goal of monitoring activities is to ensure that TANF YDF funding is used for authorized purposes by subrecipients, in compliance with Federal statutes and regulations. Also, that the TANF YDP program is being implemented in accordance with current L&I policies and procedures.	11/30/2025
2024-010	L&I	Stacy Walter, Management Analyst 2, Special Projects, Office of UC Service Centers	<p>A Significant Deficiency Exists at the Department of Labor and Industry Related to the Work Registration Requirement</p> L&I has taken the following steps to resolve the finding: - The system issue which caused the lack of denials was fixed in December 2024. - Maximum potential overpayment amount was estimated by getting a list of all those union hiring hall members since the launch of the new system and then removing the following from the list: - Those who registered for work. - Those exempt for other reasons. - Those denied benefits for other reasons. - Those with no payments for weeks beyond the 4th week of the claim. - The remaining individuals' payments for the fifth week of the claim and later were totaled in January	Completed

COMMONWEALTH OF PENNSYLVANIA

Corrective Action Plans - June 30, 2024

Finding	Agency	Contact Person & Title	Finding Title/Corrective Action	Anticipated Completion Date
2024-010 (cont'd)		Rick Plesnarski, Management Supervisor, Special Projects Unit & Quality Assurance, Office of UC Service Centers	<p>2025:</p> <ul style="list-style-type: none"> - 3,481 individuals - \$22,597,596.92 <p>- These amounts are described as “maximum” because only an individual review of each claim would reveal if the person was truly not properly registered and if weeks of benefits should be overpaid.</p> <p>- The Department is choosing to waive these individuals’ requirement to register based on UC law section 401(b)(6):</p> <p>The department may waive or alter the requirements of this subsection in cases or situations with respect to which the secretary finds that compliance with such requirements would be oppressive or which would be inconsistent with the purposes of this act.</p> <p>Since the individuals would currently be told of requirements they needed to meet in the past and, as a result, given debts to repay, this is oppressive in nature and inconsistent with the purpose behind the registration requirement.</p>	
2024-011	L&I	Dorraine Rauch, Division Chief	<p>A Significant Deficiency Exists at the Department of Labor and Industry Related to the Reemployment Services and Eligibility Assessments Program</p> <p>Guidance email was provided to program supervisors in February 2025, reiterating the requirement that all RESEA Checklists must be completed by staff and supervisors.</p> <p>Yearly file reviews – Bureau of Workforce Partnership and Operations (BWPO) is currently conducting case file reviews of the local offices. Once the review is completed, each area will get a results email with concerns and recommendations. These reviews started in September 2024 and will continue until they are completed. Anticipated completion is November 2025.</p> <p>Quarterly meetings were held for all local areas (2/4/25, 2/5/25 & 2/6/25). Next quarterly meetings will be held in May 2025. These meetings will reiterate the importance of following the RESEA process as detailed in the RESEA desk guide.</p>	11/30/2025
2024-012	L&I	Jeremy Bender, Customer	<p>A Significant Deficiency Exists at the Department of Labor and Industry Related to Inappropriate Privileged Access</p> <p>BWPO acknowledges that these errors were made, and the indicated accounts were updated immediately. The following steps will be taken to prevent this from happening again.</p>	Completed

COMMONWEALTH OF PENNSYLVANIA

Corrective Action Plans - June 30, 2024

Finding	Agency	Contact Person & Title	Finding Title/Corrective Action	Anticipated Completion Date
<p>2024-012 (cont'd)</p>		<p>Service Unit Workforce Development Supervisor</p>	<p>1. Desk Guides and Training Manuals for Central Offices CWDS Access Administrators will be updated to clearly define what roles are restricted to state staff. Completed February 2025.</p> <p>2. The Access Forms will be updated with the AdministratorLO role being in the restricted roles section and marked as only available to state staff. Completed February 2025.</p> <p>3. During future reviews of restricted roles CWDS Users with these roles will be checked against staffing lists to confirm their employment status and availability for these roles. To be completed at the next Annual Review of Restricted Roles. A supplementary Annual Restricted Role Audit being completed currently for Restricted Roles. Completed March 2025.</p> <p>BWPO acknowledges that these errors occurred. The accounts were immediately deactivated upon discovery that the staff were no longer with the Commonwealth. The following steps will be taken to prevent a re-occurrence of this issue.</p> <p>1. Three of the accounts in question were originally BWPO staff who moved to ATO, still needing CWDS Access, and then left state employment at a later date. There is currently not a system in place to review ATO staff separations. Going forward, Monthly Account Deactivation reviews will be expanded to BWDA and ATO with those Bureaus having to attest to all separations during the prior month. This should help ensure the Customer Service Unit is notified timely of staff separations in the other Bureaus. To begin March 31, 2025.</p> <p>2. During periodic review of deactivations, the Customer Service Unit will compare CWOPA accounts against state staffing lists provided by HR, to ensure separated staff have their accounts deactivated timely. This will likely have to be quarterly or semi-annually as it is unfeasible for HR to have to generate full staff complements monthly for the multiple Bureaus whose CWDS Access BWPO's Customer Service Unit manages. This will catch any issues that step 1 doesn't resolve. To begin March 31, 2025.</p>	<p>03/31/2025</p>
<p>2024-013</p>	<p>OB-OBO</p>	<p>Colleen Kling, Division Manager, Program</p>	<p>A Significant Deficiency and Noncompliance Exist at the Office of Budget Operations Related to the Quarterly Project and Expenditure Report (A Similar Condition Was Noted in Prior Year Finding 2023-020)</p> <p>The Office of Budget Operations has already completed the steps to correct the issues cited.</p> <p>OB-OBO's prior year CAP identified the following issues to be resolved as a result of the audit finding:</p>	<p>Completed</p>

COMMONWEALTH OF PENNSYLVANIA

Corrective Action Plans - June 30, 2024

Finding	Agency	Contact Person & Title	Finding Title/Corrective Action	Anticipated Completion Date
<p>2024-013 (cont'd)</p>		<p>Analysis and Performance Improvement</p> <p>Mike Wood, Bureau Director, Bureau of Performance, Revenue and Program Analysis</p>	<p>Capital Project Justification Did Not Include All Required Elements -</p> <ul style="list-style-type: none"> - The capital project justification was corrected to include all the required elements within the 3/31/2024 quarterly report to U.S. Treasury. <p>Capital Project In Excess Of \$10 million -</p> <ul style="list-style-type: none"> - The capital project in excess of \$10 million was correctly reported as a capital project within the 6/30/2023 quarterly report to U.S. Treasury. <p>PEMA Capital Project Reporting -</p> <ul style="list-style-type: none"> - After the audit finding was issued in February 2024, OBO worked with PEMA to create a survey to request additional capital expenditure information from the grant's beneficiaries. The survey responses were included, along with additional information from the agency pertaining to the capital project explanation and the capital project type in the 6/30/2024 quarterly report. - The additional capital project information was collected and reported within the 6/30/2024 quarterly report to U.S. Treasury. 	
<p>2024-014</p>	<p>DHS</p>	<p>Nia Harris, Dir, Bur. of Early Learning Res. Center Ops.</p> <p>Adrienne Smyth, Human Service Prgm. Executive</p> <p>Paula Piasecky, Human Serv. Prgm. Rep.</p>	<p>State Agencies Did Not Identify the Federal Award Information and Applicable Requirements at the Time of the Subaward and Did Not Evaluate Each Subrecipient’s Risk of Noncompliance as Required by the Uniform Grant Guidance (A Similar Condition Was Noted in Prior Year Finding 2023-023)</p> <p><u>TANF – Child Care</u></p> <p>All applicable federal Notice of Awards (NOAs), which include the Federal Award Identification Number, will be emailed to the grantees both prior to the spending period and as they become available for the spending as indicated on the NOA. They will also be included in the annual Audit Guidelines.</p>	<p>Completed</p>

COMMONWEALTH OF PENNSYLVANIA

Corrective Action Plans - June 30, 2024

Finding	Agency	Contact Person & Title	Finding Title/Corrective Action	Anticipated Completion Date
<p>2024-014 (cont'd)</p>		<p>Louie Marven, OPD, Exec. Policy Splst.</p> <p>Sheldon Marcus, OIM, Dir., Div. of Mgmt. & Bgt.</p> <p>Ron Seliga, OIM, Mgr., Fin. Planning</p> <p>Judy Alfaro, OIM, Mgr., Financial Accountability</p> <p>Laura Schlaghauser, OIM, Dir., Div. of Contr. Progs. & Sys.</p> <p>Louie Marven, OPD, Exec. Policy Specialist</p>	<p><u>TANF – Other</u></p> <p>The DHS Office of Policy Development (OPD) will perform risk assessments for all grantees annually.</p> <p>The DHS Office of Income Maintenance (OIM) reestablished the completion of risk assessments in the fall of 2024 and has provisionally completed them for all subrecipients, including TANF – Other, for FY23-24. The risk assessments seek to test various financial controls of subrecipients based on their risk assessment scores and will also assist in ranking subrecipients across the risk continuum.</p> <p><u>Social Services Block Grant (SSBG)</u></p> <p>OPD will provide all grantees receiving federal funding with a letter identifying federal award information and applicable requirements. OPD will provide this letter annually.</p>	<p>06/30/2025</p> <p>Completed</p> <p>Completed</p>
	<p>DOH</p>	<p>Andrea Race, CFO</p>	<p>DOH planned to develop and implement a robust subrecipient monitoring program which included establishing a new section within the Budget Office. The PA Legislature did not approve a budget with funding that could accommodate a new section. Alternatively, a consulting firm was engaged to perform a review of policies and procedures across the agency, including providing a gap analysis to determine compliance. A recommendation report is to be provided to DOH by March 31, 2025. DOH will initiate a comprehensive training plan for department staff based on the recommendation report. DOH will then develop training materials with an anticipated completion of June 30, 2025, with a goal to conduct training across the department by September 30, 2025.</p>	<p>09/30/2025</p>

COMMONWEALTH OF PENNSYLVANIA

Corrective Action Plans - June 30, 2024

Finding	Agency	Contact Person & Title	Finding Title/Corrective Action	Anticipated Completion Date
2024-014 (cont'd)	PDA	Caryn Long Earl, Director, Bureau of Food Assistance	PDA's Bureau of Food Assistance (BFA) will develop a process to evaluate each subrecipient's risk of noncompliance with federal statutes, regulations, and the terms and conditions of the subaward for purposes of determining the appropriate subrecipient monitoring. The evaluation will be based on Key Performance Indicators, such as leadership tenure; prior incidents of food spoilage; or qualitative feedback from clients served. If the evaluation determines that additional monitoring tools beyond the routine performance of on-site reviews of the subrecipient's program operations are necessary, such conditions will be laid out in a separate letter communication to the sub-awardee. PDA will also develop and implement a system to document the evaluation of each subrecipients risk of noncompliance.	09/30/2025
	PDOA	Jennifer Cave, Fiscal Management Specialist, PDOA Audit Liaison	<p>Concerning the evaluation of each Subrecipient's Risk of Noncompliance, PDOA has developed a new monitoring component, consisting of fifteen measurable elements, to actively monitor compliance of the 52 Area Agencies on Aging (AAA) subrecipients through a revised Phase IX monitoring tool. The revised tool, used by three Fiscal Field Representatives, includes a review of Program and Procurement, Contract Monitoring, Record Retention and Environmental Modifications.</p> <ul style="list-style-type: none"> • Timelines have been established to evaluate each subrecipients risk of noncompliance with Federal statutes, regulations and the terms and conditions of their subaward. - The Bureau of Finance coordinated with the Bureau of Quality Assurance to ensure schedules do not conflict and become burdensome to the AAA network. - The Fiscal Representatives plan to follow-up on any Performance Issues identified within the succeeding 6-9 months as identified in the approved Cost Allocation Plan. - Prior to the start of a new State Fiscal Year, the Risk Assessment surveys are distributed to adequately evaluate each subrecipient's risk of noncompliance timely. • PDOA has drafted a AAA Fiscal Monitoring process map to formally document the monitoring process which highlights the requirement to disseminate Risk Assessments. • PDOA has been working with the AAAs to correct reporting in preparation of the next round of monitoring to ensure accuracy of Financial Reporting requirements and Line-Item Budgets on record. • To avoid future deficiencies in compliance, revised risk assessments have been developed to evaluate each subrecipient's risk of noncompliance to proactively address any weaknesses in internal controls over Federal programs. • Despite PDOA recognizing time and insufficient staffing as a barrier to achieving the goal of performing a risk assessment for every AAA, we have surpassed our expectation of reaching half at a minimum by conducting a full assessment of all 52 for fiscal year ending June 30, 2024. • PDOA confirmed the Comprehensive Aging Performance Evaluation (CAPE) approach to evaluations of aging services provided by AAAs a success and shifted it out of pilot status which features a fiscal component. • To best review internal controls for financial issues concerning the Aging Cluster, a fiscal component will be administered since multiple Federal funding streams are involved. 	06/30/2025

COMMONWEALTH OF PENNSYLVANIA

Corrective Action Plans - June 30, 2024

Finding	Agency	Contact Person & Title	Finding Title/Corrective Action	Anticipated Completion Date
<p>2024-014 (cont'd)</p>			<ul style="list-style-type: none"> This finding has aided in our approach to the subrecipient section of contract language as the Cooperative Block Grants are actively being developed. The proposed policy addresses Subrecipient requirements in the Admin Chapter as opposed to the appendix as a result. 	
	<p>DDAP</p>	<p>Tia Roebuck, Director, Division of Budget and Procurement</p> <p>Ellie Stache, Section Chief, Fiscal Planning and Contractual Operations</p>	<p>DDAP understands the need to develop policies to ensure all required federal award information is disseminated to all subrecipients at the time of the subaward.</p> <p>DDAP currently includes the following federal award information in its grant agreements to subrecipients:</p> <ul style="list-style-type: none"> Subaward Period of Performance Start and End Date Total amount of Federal funds obligated to the subrecipient Total amount of the Federal award committed to the subrecipient Name of Federal awarding agency, pass-through entity, and contact information for awarding official of pass-through entity Assistance Listings Number (ALN) and title <p>However, not all the required information is available at the time the grant agreements are executed, such as the Federal Award Identification Number (FAIN) and the Federal award date.</p> <p>To ensure subrecipients are compliant with the Uniform Guidance in 2 CFR Section 200 and other applicable federal regulations, DDAP will develop policies to ensure notification is sent to all subrecipients that includes all required federal award information once the information has been received through the Notice of Award from the Substance Abuse and Mental Health Services Administration (SAMHSA).</p> <ul style="list-style-type: none"> First draft of P&P and proposed letter to subrecipients: Person responsible - Ellie Stache and Tia Roebuck: Anticipated completion date - 03/28/2025 Review of first draft and letter by Bureau Director: Person responsible - Marie Plumer, Director, Bureau of Administration: Anticipated completion date - 04/11/2025 Revision to first drafts: Person responsible - Ellie Stache: Anticipated completion date - 04/25/2025 Review of second drafts by Executive staff: Person responsible - Kelly Primus, Deputy Secretary: Anticipated completion date - 05/09/2025 Revisions to second drafts: Person responsible - Ellie Stache: Anticipated completion date - 05/23/2025 Final review by Bureau Director and Executive staff: Person responsible - Marie Plumer and Kelly Primus: Anticipated completion date - 06/06/2025 Submission to auditor: Person responsible - Tia Roebuck: Anticipated completion date - 06/30/2025 	<p>06/30/2025</p>

COMMONWEALTH OF PENNSYLVANIA

Corrective Action Plans - June 30, 2024

Finding	Agency	Contact Person & Title	Finding Title/Corrective Action	Anticipated Completion Date
2024-014 (cont'd)	L&I	Brenda Duppstadt, Director Gordon Zook, Division Chief	Once L&I's Bureau of Workforce Development Administration (BWDA) identified that the incorrect funding source was listed on the Notice of Obligation (NOO) associated with the TANF Youth Development Program contract, BWDA updated the list of funding sources in the Commonwealth Workforce Development System to encompass ALN 93.558. This update was implemented on February 20, 2025, and the updated NOOs were disseminated through CWDS. This change ensures that all NOOs created under ALN 93.558 now and in the future will have the correct funding source listed for the subrecipient.	Completed
2024-015	PDOA	Jennifer Cave, Fiscal Management Specialist, PDOA Audit Liaison	<p>A Material Weakness and Material Noncompliance Exist in the Commonwealth's Subrecipient Audit Resolution Process (A Similar Condition Was Noted in Prior Year Finding 2023-024)</p> <ol style="list-style-type: none"> 1. Designing a means to follow-up and ensure timely action of deficiencies through an audit tracking log to monitor reporting submissions, document when they were received, initiated, findings requiring follow-up, and subsequent steps to finalize the audit. 2. Management decisions for applicable findings will be issued and tracked. 3. Improvements have been made with regards to regularity in reporting to more effectively monitor activities of subrecipients consistently with respect to Federal statutes and regulations. 4. PDOA is looking to fill a vacant position with a focus of tracking subrecipient expenditures in the aggregate and tracking single audit submissions on a Commonwealth-wide basis since the Aging Cluster program is material and has material sub-granted expenditures in NSIP and Title III. 5. It is PDOA's impression that having increased oversight of the SEFA will allow for timely dissemination of management decision letters (MDL) in the six-month timeframe for making a management decision for federal award findings. 6. Discussions have started regarding considerations to take enforcement action against noncompliance by building language into the terms and conditions of the Cooperative Block Grant Agreements to exercise ability to withhold funding as approved in the Cost Allocation Plan. 7. PDOA has reached out to the BAFM to verify all outstanding audit items for PDOA since action is required within six months of receipt. 8. Follow-up procedures resulting from this finding will be reviewed and adjusted as needed to deliver optimal outcomes. 	06/30/2025

COMMONWEALTH OF PENNSYLVANIA

Corrective Action Plans - June 30, 2024

Finding	Agency	Contact Person & Title	Finding Title/Corrective Action	Anticipated Completion Date
2024-015 (cont'd)	PDA	Nichole Nedinsky, Fiscal Management Specialist, PDA Audit Coordinator	<p>PDA has added a Financial Management Specialist 1 (FMS1) to its complement with the primary duty of agency audit liaison. The FMS1 will report to the PDA’s Budget Office. This is a new position and role within the department and has training and certification requirements to complete which will allow the position to:</p> <ol style="list-style-type: none"> 1. Evaluate single audit report submissions received from BAFM to determine program purpose acceptability by verifying, at a minimum, that all agency-funded programs are properly included on the applicable financial schedules; that findings affecting the agency contain sufficient information to facilitate a management decision; and that the subrecipient has submitted an adequate corrective action plan. 2. Issue management decisions relative to audit findings and crosscutting findings assigned to the agency for resolution, as required by 2 CFR §200.521. If responsible for the resolution of crosscutting findings, notify the affected agency or agencies upon resolution of such findings. 3. Impose or coordinate the imposition of remedial action in accordance with 2 CFR Part 200.339 and Management Directive 325.08 Amended, <i>Remedies for Recipient Noncompliance with Audit Requirements</i>, when subrecipients fail to comply with the provisions of Subpart F. <p>The new FMS1 will help ensure effective and efficient audit resolutions. This newly created position will also be responsible for the department wide audit tracking log that is in development.</p>	06/30/2025
	PDE	Clayton P. Carroll II, Audit Coordinator Jessica Sites, Director, Bureau Financial Operations	The PDE Audit Section is working with divisions to develop processes to ensure timely responses. A training will be conducted by April 2025 on audit procedures, best practices, and federal regulations governing single audit management decisions.	04/30/2025
	DEP	Jennifer Brandt, Senior Fiscal Mgmt. Specialist	DEP has updated the concur subrecipient letter to include the specific language related to the management decision that was previously in our non-concur letters. This ensures whichever template is used, the management decision and related finding information will be included in the subrecipient letter. Revised letters were sent to both subrecipients, in which DEP was the lead agency and had findings for in the audited timeframe. Staff are reviewing all the steps of our standard operating	06/30/2025

COMMONWEALTH OF PENNSYLVANIA

Corrective Action Plans - June 30, 2024

Finding	Agency	Contact Person & Title	Finding Title/Corrective Action	Anticipated Completion Date
2024-015 (cont'd)		Kristen Szwajkowski, Lead Fiscal Mgmt. Specialist	procedures to ensure we will be in compliance regardless of whether DEP is or is not the lead agency and regardless of whether we are preparing a concur or non-concur letter for the subrecipient.	
	DHS	David Bryan, Mgr., Audit Res. Section Alexander Matolyak, Dir., Div. of Audit & Rev.	As stated in the DHS finding response, this was the result of human oversight, and not a systemic issue with internal controls. We have reminded staff to make sure that a management decision is timely communicated to subrecipients at the time of making the management decision.	Completed

Appendix



Commonwealth of Pennsylvania

COMMONWEALTH OF PENNSYLVANIA

APPENDIX - Legend of Abbreviations - June 30, 2024

The following legend presents descriptions of abbreviations that appear throughout the report:

<u>ABBREVIATION</u>	<u>DESCRIPTION</u>
AA	Adoption Assistance
AMLR	Abandoned Mine Land Reclamation
ACA	Affordable Care Act
ACF	Administration for Children and Families
ACFR	Annual Comprehensive Financial Report
ACH	Automated Clearing House
AG	Department of the Auditor General
AGRI	Department of Agriculture
AICPA	American Institute of Certified Public Accountants
ALN	Assistance Listing Number
ARC	Appalachian Regional Commission
ARP	American Rescue Plan
ARP ESSER	American Rescue Plan – Elementary and Secondary School Emergency Relief
ARP ESSER HCY	American Rescue Plan – Elementary and Secondary School Emergency Relief – Homeless Children and Youth
BAFM	Bureau of Accounting and Financial Management
BAMR	Bureau of Abandoned Mine Reclamation
BCSE	Bureau of Child Support Enforcement
BFA	Bureau of Food Assistance
BFD	Bureau of Food Distribution
BFO	Bureau of Financial Operations
BFS	Basic Financial Statements
BOA	Bureau of Audits
BPS	Bureau of Payable Services
BQA	Bureau of Quality Assurance
BUCD	Bureau of Unemployment Compensation Disbursements
BWDA	Bureau of Workforce Development Administration
CACFP	Child and Adult Care Food Program
C&E	Conservation and Environment
CAO	County Assistance Office
CAP	Corrective Action Plan
CARES	Coronavirus Aid, Relief, and Economic Security Act
CCDBG	Child Care and Development Block Grant
CCDF	Child Care and Development Fund
CCIS	Child Care Information Service
CCYA	County Children and Youth Agency
CDBG	Community Development Block Grants
CFDA	Catalog of Federal Domestic Assistance
CFR	Code of Federal Regulations
CHIP	Children’s Health Insurance Program
CIS	Client Information System
CMIA	Cash Management Improvement Act of 1990
CMS	Centers for Medicare and Medicaid Services
CNC	Child Nutrition Cluster
CN-PEARS	Child Nutrition Program Electronic Application and Reimbursement System
COPPAR	Commonwealth of Pennsylvania Policy and Procurement Action Request
COSO	Committee of Sponsoring Organizations of the Treadway Commission
COVID-19	Coronavirus Disease 2019
CRRSA EANS	Coronavirus Response and Relief Supplemental Appropriations Act, 2021 – Emergency Assistance to Non-Public Schools Program

COMMONWEALTH OF PENNSYLVANIA

Legend of Abbreviations (Continued) - June 30, 2024

<u>ABBREVIATION</u>	<u>DESCRIPTION</u>
CSE	Child Support Enforcement
CUEC	Complementary User Entity Controls
CVA	Crime Victim Assistance
CWDS	Commonwealth Workforce Development System
CWSRF	Capitalization Grants for Clean Water State Revolving Funds
DCED	Department of Community and Economic Development
DDAP	Department of Drug and Alcohol Programs
DEP	Department of Environmental Protection
DFN	Division of Food and Nutrition
DFP	Division of Federal Programs
DGS	Department of General Services
DHS	Department of Human Services
DMVA	Department of Military and Veterans Affairs
DOC	Department of Corrections
DOD	United States Department of Defense
DOE	United States Department of Energy
DOH	Department of Health
DOI	United States Department of Interior
DOJ	United States Department of Justice
DOL	United States Department of Labor
DOR	Department of Revenue
DOT	United States Department of Transportation
EBT	Electronic Benefits Transfer
EBR	Employment, Banking, and Revenue
eCIS	Electronic Client Information System
ED	United States Department of Education
ELC	Epidemiology and Laboratory Capacity for Infectious Disease
EPA	United States Environmental Protection Agency
EPPIC	Electronic Payment Processing and Information Control
ERA	COVID - 19 – Emergency Rental Assistance Program
ESEA	Elementary and Secondary Education Act
ESF	Education Stabilization Fund
ESSER	Elementary and Secondary School Emergency Relief Fund
FAC	Federal Audit Clearinghouse
FAIN	Federal Award Identification Number
FC	Foster Care – Title IV-E
FDC	Food Distribution Cluster
FEMA	Federal Emergency Management Agency
FFATA	Federal Funding Accountability and Transparency Act
FFY	Federal Fiscal Year
FHWA	Federal Highway Administration
FNS	Food and Nutrition Service
FSRS	FFATA Subaward Reporting System
FYE	Fiscal Year Ended
GAAP	Generally Accepted Accounting Principles
GAO	United States Government Accountability Office
GBO	Governor’s Budget Office
GEER	Governor’s Emergency Education Relief Fund
HEERF	Higher Education Emergency Relief Fund
HEERF FIPSE	Higher Education Emergency Relief Fund – Fund for the Improvement of Postsecondary Education Formula Grant
HHS	United States Department of Health and Human Services
HIV	Human Immunodeficiency Virus
HPC	Highway Planning and Construction

COMMONWEALTH OF PENNSYLVANIA

Legend of Abbreviations (Continued) - June 30, 2024

<u>ABBREVIATION</u>	<u>DESCRIPTION</u>
HSGP	Homeland Security Grant Program
HRSA	Health Resources and Services Administration
HUD	United States Department of Housing and Urban Development
ID	Identification
IDEA	Individuals with Disabilities Education Act
IES	Integrated Enterprise System
IESO	Integrated Enterprise Systems Office
IRS	Internal Revenue Service
IT	Information Technology
ITP	Information Technology Policy
ITS	Integrated Tax System
L&I	Department of Labor and Industry
LCB	Liquor Control Board
LEA	Local Educational Agency
LIHEAP	Low-Income Home Energy Assistance Program
LWIB	Local Workforce Investment Board
MA	Medical Assistance Program
MD	Management Directive
MDL	Management Decision Letter
MLF	Motor License Fund
MOE	Maintenance of Effort
MOU	Memorandum of Understanding
MPR	Monthly Performance Report
NCCI	Medicaid National Correct Coding Initiative
NCLB	No Child Left Behind
NEU	Non-Entitlement Units
NGMO	National Guard Military Operations and Maintenance Projects
NIST	National Institute of Standards and Technology
NSLP	National School Lunch Program
NSP	Neighborhood Stabilization Program
OA	Office of Administration
OB	Office of the Budget
OBO	Office of Budget Operations
OCDEL	Office of Child Development and Early Learning
OCO	Office of Comptroller Operations
OCYF	Office of Children, Youth, and Families
ODP	Office of Developmental Programs
OGC	Office of General Counsel
OIG	Office of Inspector General
OIM	Office of Income Maintenance
OIT	Office for Information Technology
OMB	Office of Management and Budget
OPD	Operational Documents
OPD-AA	Office of Policy Development Alternatives to Abortion
OVR	Office of Vocational Rehabilitation
PCCD	Pennsylvania Commission on Crime and Delinquency
PDA	Pennsylvania Department of Agriculture
PDE	Pennsylvania Department of Education
PDOA	Pennsylvania Department of Aging
PDOT	Pennsylvania Department of Transportation
PEMA	Pennsylvania Emergency Management Agency
PennDOT	Pennsylvania Department of Transportation
PENNVEST	Pennsylvania Infrastructure Investment Authority
PID	Pennsylvania Insurance Department

COMMONWEALTH OF PENNSYLVANIA

Legend of Abbreviations (Continued) - June 30, 2024

<u>ABBREVIATION</u>	<u>DESCRIPTION</u>
PIMS	Pennsylvania Information Management System
PLCB	Pennsylvania Liquor Control Board
PTE	Pass-through entity
PUA	Pandemic Unemployment Assistance
RESEA	Reemployment Services and Eligibility Assessments
RFP	Request for Proposal
RS-VR	Rehabilitation Services – Vocational Rehabilitation Grants to States
SABG	Block Grants for Prevention and Treatment of Substance Abuse
SAS	Statement on Auditing Standards
SDLC	Systems Development Life Cycle
SEA	State Educational Agency
SEFA	Schedule of Expenditures of Federal Awards
SFSP	Summer Food Service Program for Children
SLFRF	Coronavirus State and Local Fiscal Recovery Funds
SNAP	Supplemental Nutrition Assistance Program
SOC	System and Organization Controls
SSA	United States Social Security Administration
SSAE	Statements on Standards for Attestation Engagements
SSBG	Social Services Block Grant
SW	Statewide Finding
SWIF	State Workers’ Insurance Fund
TANF	Temporary Assistance for Needy Families
TRE	United States Department of the Treasury
UC	Unemployment Compensation
UCMS	Unemployment Compensation Modernization System
UG	Uniform Guidance
UI	Unemployment Insurance
USDA	United States Department of Agriculture
USDE	United States Department of Education
USDHS	United States Department of Homeland Security
USDOJ	United States Department of Justice
USDOL	United States Department of Labor
WIA	Workforce Investment Act
WIC	Women, Infants, and Children
WIOA	Workforce Innovation and Opportunity Act
WPRS	Worker Profiling and Reemployment Services